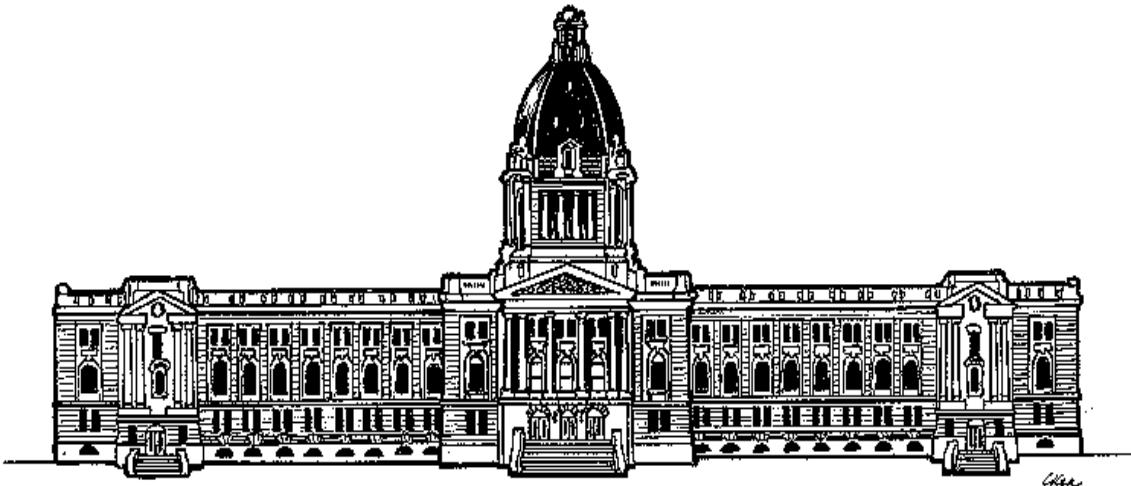




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE

Hansard Verbatim Report

No. 18 – November 29, 2005



Legislative Assembly of Saskatchewan

Twenty-fifth Legislature

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

Mr. Ron Harper, Chair
Regina Northeast

Ms. June Draude, Deputy Chair
Kelvington-Wadena

Mr. Denis Allchurch
Rosthern-Shellbrook

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

Ms. Sandra Morin
Regina Walsh Acres

Hon. Maynard Sonntag
Meadow Lake

Mr. Kim Trew
Regina Coronation Park

[The committee met at 19:00.]

**General Revenue Fund
Supplementary Estimates — November
First Nations and Métis Relations
Vote 25**

Subvotes (FN01), (FN02), and (FN03)

The Chair: — I call to order the Standing Committee on Intergovernmental Affairs and Infrastructure. The first item of business before the committee this evening is the consideration of supplementary estimates for the Department of First Nations and Métis Relations. I recognize the minister and I ask the minister to introduce his officials.

Hon. Mr. Sonntag: — Thank you very much, Mr. Chair, and committee members. Good evening again. I won't be making any opening statement tonight as we did just several days ago but I will reintroduce the officials that are here with me.

Seated immediately to my right is Nora Sanders, the deputy minister. To her right is John Reid, acting assistant deputy minister; Laurier Donais, director of finance and corporate services. Behind me on the right is Susan Carani, director of lands and resources. To her left is Cora Sellers, senior policy analyst, Aboriginal employment development program, and seated in the chair over there on the left is Jennifer Brass, executive assistant, adviser to the deputy minister.

The Chair: — Thank you, Mr. Minister. This evening we have Mr. Yates substituting for Mr. Sonntag. And I recognize Ms. Draude.

Ms. Draude: — Thank you very much, Mr. Chairman. And to the minister and to his officials, I appreciate the opportunity to discuss some of the issues we didn't have the opportunity to get to last time we met as a committee.

And I'd like to start, Mr. Minister, by asking you where your government is on the issue of the MACSI [Métis Addictions Council of Saskatchewan Inc.] report. I know that the Provincial Auditor made 13 recommendations in his report and we are waiting to hear what this government is doing. Could you give me an update?

Hon. Mr. Sonntag: — MACSI really doesn't fall under our purview. MACSI is an affiliate but it falls under the responsibility of the Department of Health.

Ms. Draude: — Okay. Then I have the opportunity tonight to ask the question to the Minister of Health. This year being the year of the First Nations women and Métis women, I was waiting to see something that was happening through your department that would make a difference to the lives of the First Nations women and Métis women in this province. I have seen a number of suppers and acknowledgments of the year but I haven't seen anything substantial that's actually going to change the lives of the people. Could you give me an update on what your government has done that you feel is really going to be the centennial celebration success stories of what you're doing for First Nations women?

Ms. Sanders: — Yes, I can update on some of those things and just to say briefly that it wasn't a big spending item. There were things spent both by our department and others but it was also a time — and I think especially because it had been initiated by First Nations — for us to build relations and I think a strong base to work together on these issues in the future.

One of the things that didn't fall under our department, but is certainly relevant to the year and relevant to the cause of the year, was the announcements recently under the Justice department in relation to the task force on missing women.

As you've mentioned, I believe there were a number of smaller initiatives. We had grants to have community groups get together and honour women of their community or hold small workshops and those kinds of things. And I understand that although the amounts weren't large, they were well received in the communities across Saskatchewan and very significant to those who took part.

Tomorrow we have a symposium internally for government employees to talk about the Year of First Nations and Métis Women, and I think with the idea that building on what's taken place this year and how we can strengthen those programs and priorities within all the departments in an ongoing basis.

So there've been a number of initiatives. And I think as significant as funding has been, simply the opportunity to strengthen the focus on these issues and to build relationships for the future.

Ms. Draude: — Thank you. I was delighted when I heard that the government actually was recognizing this as the Year of First Nations and Métis Women. But I can say that I'm disappointed that there isn't anything that I can see that's really done to make a difference. I know that a lot of the issues . . . everything is based on money, but the other part of it is education.

Most of the things that I've seen the government department do is dealing directly with First Nations and Métis women themselves. And what we need is an education of the general public. I think a lot of the problems that we have right now is a lack of education, not just on the rights, on the treaties, on the cultural aspect of First Nations, and what we could be doing for . . . non-Aboriginal people should be doing. I didn't see any initiative by this government that was going to make a difference to the lives of people of non-First Nations peoples so that we could be going forward.

I know that your department is well aware that the Aboriginal population is growing at twice the rate of the general population. Half of the 20,000 Aboriginals who call Saskatoon home are under the age of 20. And the unemployment rate amongst Aboriginal is 22.3 per cent and climbs to 35 per cent in families with children under six. The number of Aboriginals living below the poverty line is still 52 per cent. And the single biggest determinant of health and consequently the future of a number of First Nations is housing.

I think that this was an opportunity that the government and your department had this year to start moving forward on some

of the initiatives that would make a difference. We need the First Nations people to be part of our economy if we're going to grow our economy. And when we spoke earlier this spring about what your department was going to do now that it actually was a single, stand-alone department dealing with First Nations, I'm sure you're aware the Saskatchewan Party was very much in favour of it. There was nothing that we said that was a deterrent from it, and we've been waiting with bated breath to see something that you could do that was making a difference.

You told me this spring that you saw your work in this department as more of an MLA [Member of the Legislative Assembly] office where you would send concerns to different departments. I don't think that we're seeing any changes in the lives of First Nations people. What is your department doing that's going to make a difference so that next year when we're sitting in the House we can see something different in their lives?

Hon. Mr. Sonntag: — Well to say that we need to do more is absolutely correct. I think governments across Canada, all of us, I mean whether it's governments or individuals, there is no denying that we have much, much more to do.

In terms of what we have done I will . . . I've just made a very brief list here. But worked very, very closely, in terms of public education, we worked very closely with the Treaty Commissioner's office, provided some significant funding so that they could . . . so that office could — I think the amount was \$150,000 — so that they could do much more public education. And we have on a regular basis officials participating in different symposiums, etc.

We signed the 67th Aboriginal employment development program — 67th, which is very, very significant — which brings together employers, employees, municipalities, in lots of circumstances unions; SAHO is another, Saskatchewan Association of Health Organizations. And I don't remember the exact numbers any more but it has directly employed in excess now of over 2,000 First Nations and Métis people. But I think even more importantly what it's done is provided cultural awareness for large numbers of people in the workplace and I think that's one of the really important points.

We've just come back I think from — not we specifically but the Premier and officials that are sitting at this table — from the first ministers' meeting where I think all of the provinces, not just Saskatchewan, although I know Saskatchewan has been recognized as providing somewhat of a lead as they should because we have a large representation of First Nations and Métis people.

We launched the economic development program this past year that we talked about the other day just recently, working closely through this department. And while I was minister of Highways and Transportation — was there for the announcement but obviously not as the minister — but the northern roads program where we worked again closely with the Métis communities and the FSIN [Federation of Saskatchewan Indian Nations] in bringing that program together which is \$65 million.

And I say just I wanted to make this point, lest we forget, which

is not related to anybody in our government or related to anybody, particularly any level of government other than First Nations. It is a particularly nice coincidence, I think, that during this Year of First Nations and Métis Women — I think I have this right — but the 14th female chief was just elected in the last week or two in our province, which is an unprecedented number and I think bodes very well for the future of First Nations in Saskatchewan.

Ms. Draude: — Well you won't find any argument from this member, Mr. Minister, if you're talking about women having . . . making life different, if you have them in control. I'd like to see a few more especially from this side of the House.

But, Mr. Minister, you did reference the economic development program that your government has undertaken. But if we remember back to last week we'll also know that that program still isn't in place. We had the news release for it but we don't have a program.

You reference the \$100,000 that your government is spending for it with the Treaty Commissioner, which is great. But I know this week we had \$300,000 on a poll that your government decided to just drop; \$300,000 would make a heck of a difference in the lives of a lot of First Nations people. I think that we have to ensure that if this is a priority for your government, which I understand you'd like people to believe, then you've got to decide it's going to be.

I'm frustrated beyond belief that we can continue to sit every year and talk about the issues, but we still know that the high school dropout rate for First Nations students is still nearly 50 per cent. And less than 50 per cent of those who do complete high school have any education beyond that. What is your department doing with that issue?

Ms. Sanders: — Perhaps I can speak to that. And I'll do it by reference to the first ministers' meeting which was held last week because part of the work done leading up to the first ministers' meeting was on education, on K to 12 education. That was one of the topics identified as a priority.

The first ministers' meeting and Saskatchewan's role in it is something that we have spent a great deal of time on in the last year. And when I say we I mean . . . I'm referencing my own department, but also the Department of Learning in relation to that part. And in relation to the question asked, Learning has been working already with the federal government in anticipation of the announcements to try to make sure that some of that funding comes to Saskatchewan and is used to improve the lives of First Nations and Métis students here in Saskatchewan. I'm satisfied that it will be.

And as part of this process too there are steps under way to build stronger relationships with the First Nations schools between our system and those schools. And I think that will also improve the life of students — especially those that move back and forth from reserve to town and back again and that want to have continuity in their education. So that is a priority and something that we don't as a department work directly on so much as to work with the Department of Learning. And I see some very excellent work going on there.

Ms. Draude: — Can you tell me what concrete work was accomplished at that First Ministers' Conference that is going to be a tangible benefit to the people — not just talking about it. What is the government going to do?

Ms. Sanders: — Well the federal government played very close to the chest until the actual day of the meeting what money was going to be available, but we knew there would be money available so it was difficult then, in fact impossible, to enter into any agreements ahead of time to get started with the programming that would be done with that money. But I think the preliminary work has been done so that when that money is available — and I'm trusting that it still will be following elections nationally and so on; I believe it will be — then our government will be a position to enter into an early agreement and that will make a difference to the life of the students here in Saskatchewan.

Ms. Draude: — When are you expecting the news releases or the actual announcements for the money that's going to be brought forward by the federal government?

Ms. Sanders: — Well it won't be until after the election, I shouldn't think. And we'll be working though with officials in the meantime to try to get it as far along so that there could be an announcement following that.

Ms. Draude: — What are you doing with tracking the students that are truant, that we know . . . I understand that there's between 1,000 and 1,600 students not in school under the age of 16 just in the city of Saskatoon alone. What is the department doing to ensure that these students are in school?

Hon. Mr. Sonntag: — Again that should be directed to the Minister of Learning. That is not something that our department would . . . While we obviously have a concern about it, it's not something that we track through our department.

Ms. Draude: — Mr. Minister, that's my point. When the announcement was made last year that your government was going to have a department that was responsible for First Nations and Métis concerns, and then out of two issues that I brought forward it's not your department — somebody has to be responsible for it. I can ask the question to the Minister of Learning but I know that is not his priority. And sure it's a concern but it's not a priority.

If there's going to be money spent on a department, it has to be more than just having ministerial staff and paper letterhead. It's got to make a difference to these people's lives. So I would hope that when these questions are asked, it would be this minister's responsibility and interest to make sure that there's something being done.

Hon. Mr. Sonntag: — Well I mean we went through this last year. The questions that you asked with respect to MACSI, you'll get the answers from the Department of Health. And the questions that you asked with respect to truancy are clearly the responsibility of the Department of Learning.

I tried to explain this last year when this question was asked, and I tried to make the analogy that this department has . . . its role is that of a liaison and connecting with the different

departments to expediate specific cases. And I think it's fair to say that in terms of our capacity in dealing with cases, we've been able to deal with specific cases, I should say, much more quickly than we have.

And I've listed off the number of initiatives that the department has been involved and either successfully launched or is progressing on it. I mean the Aboriginal employment development program has been, in my estimation, a huge success. We have — I didn't mention it earlier on — but the significant electoral reform in the Métis Nation of Saskatchewan is occupying a large amount of time for myself and for officials. And while . . . I mean I don't need to go back through them again, but the economic development program and others are, I think, all things that do make a very big difference in people's lives in the province.

Ms. Draude: — Mr. Minister, if I was a Métis person right now and I wanted to know what the result was of the findings on the MACSI report, I probably wouldn't call Health. I would call your department because that's who's responsible. And I would hope that your ministry would be able to answer it even if the work has been done by a different minister. And what kind of liaison do you have between the different departments that you can't answer these questions?

Hon. Mr. Sonntag: — Well in actual fact that's exactly what quite often happens, and that's exactly what we want to happen. When First Nations or Métis people or anyone for that matter has an issue related to First Nations or Métis or Inuit, in some limited circumstances, we would be the body that would either refer them, find . . . We'd be the single-window access, if you will. We'd refer them to the correct person or persons within the respective departments. Sometimes if we had the capacity, we'd try to get the answer for them as well, but we try to as quickly as possible put in place the appropriate response and that's . . . instead of them chasing through all the different levels of government to get an answer to a question, that's what our department does.

Ms. Draude: — Then we have another ministry and people that are just saying, okay I can't answer that; I'll go to somebody else. I think if we have money that's supposed to be targeted for First Nations people rather than . . . I would think that the money would be better spent on actual doing programming than to sort somebody through a bureaucracy. But I guess that's your government's way of dealing with the issue. Can you tell me what . . . Does your department have any working at all with PAGC [Prince Albert Grand Council] with the virtual school or is that again with Education?

Hon. Mr. Sonntag: — That would be with the Department of Education. But let me say this in response to the first part of your question because I feel it can't go unresponded to. The department has been created largely at the request as well of First Nations people, so it's not just our government's decision. I want to be clear about that. The FSIN and Métis people as well, I think in overwhelming numbers when we had discussions leading up to whether or not we should create a new department, were of the view that this is exactly what we should do.

And I think, with a few detractors who are of the view that

while we can always do more, that this model that is in place is a model that works much better than what existed in the past. So this isn't just a creation of government; this is in very close consultation with Aboriginal people in our province.

Ms. Draude: — I have no doubt that it's better than it was in the past but it's still not doing what it's supposed to be for First Nations people. And if this is the benchmark that is what your government is happy with, well that's fine. But I would think that there is not too many First Nations people go to bed at night thinking that this has made their life any better.

I am wondering when . . . well there was a report a while ago, I believe was on the February 3 this year, that talked about Regina's First Nations people facing a wider income gap than the non-First Nations people compared with other major Canadian cities. Can you tell me — if it's not your department maybe it's Economic Development — what is your government doing to address this issue?

Hon. Mr. Sonntag: — Well I mean that one would obviously cross, I think, a number of departments, but it does affect our department too, which is a significant reason why I'm working in close consultation with the FSIN. We put together the First Nations and Métis economic development program.

I can let one of . . . probably Nora speak a little bit about it if she wants, the urban Aboriginal strategy which is I think a very, very important strategy when you recognize the rapid growth of First Nations, Métis people period in our province. But also off-reserve it becomes a significant component of our strategy. Do you want to speak to it? Maybe I'll let Nora talk a little about the urban Aboriginal strategy.

Ms. Sanders: — Yes, simply that there is funding provided in Regina, Saskatoon, Prince Albert, North Battleford for urban projects and aimed at addressing those overall things.

Our department also has been very active in the committee, developing the response to the justice commission report from last year. And that report of course was significant because it didn't just deal with justice or crime or the response to those. It dealt with the underlying causes. And so that the committee that's come together to try to develop the government's response included not only Justice and Corrections and our department but also, you know, Health and Learning and DCRE [Department of Community Resources and Employment] and so on because the recognition is that all those parts of life are affected and are root causes of crime.

This was also a huge part of the first ministers' meeting and the work done over the past year leading up to try to get at closing those social gaps, and that was a large focus of the discussions that have taken place leading up to that. And through that process, we've developed, I think, even more effective working partnerships within government between the different departments addressing these issues.

Ms. Draude: — Can you tell me how much money is going to the urban Aboriginal strategy?

Mr. Reid: — \$125,000. I will have to check the numbers for sure though for you.

Ms. Draude: — Thank you, so . . .

Mr. Reid: — Excuse me. That's for the management authorities that the deputy referred to, the ones in Prince Albert and Saskatoon, Yorkton, North Battleford, and Prince Albert and Regina.

Ms. Draude: — \$125,000 and there is approximately 100,000 First Nations people in the province, and half of them live off-reserve. So there isn't a lot of money that's going towards the projects that's addressing the First Nations issues in the urban centres.

I have spoken to people and the urban Aboriginal leaders who are concerned as well that the specific problems and concerns and challenges that First Nations people have that live in the city isn't being addressed. And to say that we have a program that's — like it or not — that is based on money, that we have \$125,000 for four cities that's going to look after 50,000 people, it's not going to be a lot. I think that's disappointing.

Hon. Mr. Sonntag: — Well just for clarification, you would be right if that was all that was available. The vast, vast majority of the funding for the urban Aboriginal strategy, while some of it's coordinated through our department, that's our contribution through our department because we're a fairly small department. The vast majority, I don't have the exact number, but which is in the millions comes through other departments, not through our department at all. But there is admittedly much more that we have to do.

Ms. Draude: — I'm not sure if there's other information you want to give me. I have just two more questions. So is there information I should have?

Ms. Sanders: — We've got a correction on the amount. As of this year it's \$175,000, so it's a little bit better. And I should just mention too that it does lever federal money and I believe it's matching. But it does lever federal money into those same projects.

Ms. Draude: — So does this . . . does the provincial government receive the funding from the federal government and dole it out to projects?

Ms. Sanders: — I believe that the federal government funds those projects directly in an amount at least equal to the amount we're providing.

Ms. Draude: — Thank you. One of the other two issues that I wanted to touch on is the gang issue that your government has recognized and has recognized across the province. I hate to bring it up in just Métis and Aboriginal Affairs because I am well aware that it's not just First Nations or Métis people that are in gangs. In fact I know one of the big concerns is the Asian gangs.

But it is a fact that there are Aboriginal gangs as well and they are, the numbers of them are growing. And I'm wondering what your department is doing, maybe it's in conjunction with Justice, but what you're doing to deal with the issue on a positive basis to make sure that Saskatchewan isn't known for . . . have another yet first or number one in another issue that we

wouldn't be proud of, and that is the number of First Nations in gangs.

Hon. Mr. Sonntag: — Well you're right. This is primarily the Department of Justice. But having said that, we will have . . . I mean we have, I should say, met on a number of occasions with the FSIN. And I say the FSIN in this case because there is not a current relationship with MNS [Métis Nation of Saskatchewan]. But we met with the FSIN and this is . . . I mean this is obviously a huge concern for them, and I think they make the point correctly that you do as well. This cannot be an issue that is singularly First Nations or Métis or Aboriginal people because there are gangs period, and it certainly crosses racial lines.

Again our department's role in something like this would . . . I mean this is kind of typically what would happen. The Grand Chief of the FSIN would ask for a meeting on this issue. We'd sit down and talk about it, devise or design a strategy in consultation with the FSIN about how this should best be resolved. We would bring in the departments — in this case it's obvious that it would be Department of Justice — and try to put together a project or a program. And we would slowly . . . as the department would obviously once the project or program is evolving, then it would be left to that department, and our department would slowly back away and provide resources if we had to. But that's sort of the way our department would become involved in an initiative like this.

Ms. Draude: — Thank you, Mr. Minister. The other question that I have to ask you is as a result of an article that was in the paper a while ago and that was tracking the number of cigarettes that are sold on-reserve. There seemed to be a concern about provincial . . . about taxes not being collected because of the increase in the number of purchases on-reserve. Is your government dealing with this issue or are you doing some work on tracking?

Hon. Mr. Sonntag: — This is the Department of Finance but again, this is actually a perfect example of the way our department is involved. In fact, we were contacted first by the FSIN after them having contact with the Department of Finance and asked for a meeting. We met and now there is discussions taking place between . . . we facilitated meetings for the FSIN and the Department of Finance and those meetings are taking place to deal with this issue specifically.

Ms. Draude: — Do you have an answer? Right now are you doing the tracking?

Hon. Mr. Sonntag: — I'm unable to answer that question right now.

Ms. Draude: — Can you tell me how many full-time equivalents you have in your department?

Mr. Donais: — Yes, at the beginning of the year there was 36 FTEs [full-time equivalents] and then there'll be two added for the economic development fund.

Ms. Draude: — Thank you. Thank you, Mr. Minister, I have no further questions. And I'd like to thank your officials for the answers. And we're quite prepared to vote it off.

The Chair: — Thank you. Seeing no further questions we'll proceed with the voting on First Nations and Métis Relations, vote no. 25, found on page 12 of the Supplementary Estimates book.

Central management and services (FN01) for 24,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Policy coordination and support for Aboriginal organizations (FN02) for 950,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Gaming agreement (FN03) for 4,737,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: —

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2006, the following sums for First Nations and Métis Relations, 5,711,000.

Is that agreed? Could I have a member move that? Mr. Yates. Thank you.

[Vote 25 agreed to.]

Hon. Mr. Sonntag: — Thank you very much, Mr. Chair, and committee members. I want to thank the officials for their able assistance on the answering of all of the questions. I want to thank the members for their very good questions as well. Thank you very much.

**General Revenue Fund
Supplementary Estimates — November
Highways and Transportation
Vote 16**

Subvotes (HI01), (HI10), and (HI04)

The Chair: — The next item of business before the committee is the consideration of supplementary estimates for the Department of Highways and Transportation, vote no. 16. I recognize the minister and ask the minister to introduce his officials.

Hon. Mr. Lautermilch: — Thank you very much, Mr. Chairman. To my immediate right is Terry Schmidt, who is the assistant deputy minister of operations division; to my left is the deputy minister, John Law; to his left is George Stamatinos, assistant deputy minister of policy and programs division. And behind us on the right is Cathy Lynn Borbely, the assistant director of corporate support branch; and to her left is Ted Stobbs, the assistant deputy minister of corporate services division.

The Chair: — Thank you, Mr. Minister. Do you have an opening statement, Mr. Minister?

Hon. Mr. Lautermilch: — No, just to welcome the members of the opposition and I look forward to their questions this evening. This is the second time that we've appeared before the committee and I think we should proceed with the review of the estimates.

The Chair: — Thank you, Mr. Minister. Mr. Weekes.

Mr. Weekes: — Thank you, Mr. Chair. Welcome to the minister and your officials this evening. I'd just like to start off. Could you tell me how many full-time equivalents do you have in your department now and compared to what they were before the change in department and ministers.

Hon. Mr. Lautermilch: — Thank you, Mr. Chairman. I'm told that we have approximately 1,430 full-time equivalents which is about the same as last year. There is some variance I guess and that would be based on seasonal employment. As you will know, last year was a particularly wet season for construction and so that will obviously impact on the amount of work that we do and the number of people that we hire.

Mr. Weekes: — Thank you, Mr. Minister. I'd just like to ask some questions about the northern roads infrastructure program. On Wednesday, November 23, you and the Premier announced the program for northern infrastructure. This project was alluded to in the Throne Speech and it was announced two days ago, but yet there is no allocation of cash for the project, not even start-up costs in these estimates. Why is that?

Hon. Mr. Lautermilch: — Mr. Chairman, I'm told that the amount is \$65.5 million that's been committed for the northern road strategy. These revenues will come from the surplus that we had this year as a result of the increase in resource revenue that we were fortunate enough to experience based on things that this administration has done over the years to ensure that we attract investment. That was a goal. The goal was to increase the amount of revenue so that we could do these types of things.

I would say that in this fiscal year that money won't be spent. We're going to be spending time this winter engaging northerners in their district planning committees in terms of their priorities. Obviously we want to see an all-weather road to the Athabasca Basin. The amount of feeder roads from the different communities will be discussed with the northern communities. And I think it's fair to say that we see, as a result of this northern strategy and the money that's going to be expended in the North, one of the key pillars of this is to build northern capacity. So obviously we're going to be talking with northern business people, prospective business people, to see what their thoughts are and what areas of expertise they might think they can lend to this program. We as well would like to see more than just northerners involved in construction because we think there's an opportunity to train some managerial training to ensure that we have an ongoing capacity in northern Saskatchewan which is something that we don't have right now.

Mr. Weekes: — Thank you, Mr. Minister. Mr. Chair, to the minister, in May 2004 there was a commitment from Indian and Northern Affairs Canada to pay 50 per cent of the environmental impact assessment studies. Is that money still currently on the table?

Hon. Mr. Lautermilch: — Well obviously we are interested in engaging federal funds in the North. That's part of our planning. But I want to say that we had made the decision that even though we haven't an agreement from the federal government at this point it was time to move forward and that we had concluded that we can wait and wait and wait and nothing gets done or we can move onward. And so that's what we've chosen to do.

I would say that we believe that there can be a partnership arrangement in terms of northern infrastructure. Obviously this expenditure is going to save the federal government some direct dollars in terms of their cost of doing business. And I think it's fair to say that there'll be some benefit as well for the northern communities in terms of their cost of staples — groceries, milk, you know, bread, those kinds of things. So I think it's a reasonable program to embark upon. And I would just say that it wasn't . . . We didn't feel it was prudent to wait for anyone. And so we had the capital that was I guess generated as a result of planning, as I said before, that the government had done in terms of stimulating industry in the resource sector. We have the money now and so we're moving forward.

Mr. Weekes: — So just to clarify, you have the commitment from the Northern Affairs Canada to pay 50 per cent of the environmental impact assessment study but now you saying you're going ahead without the federal government. I don't understand. Do you have the commitment from them for the assessment study or don't you? Or is that something that's going to be renegotiated in the future?

Hon. Mr. Lautermilch: — I'm sorry, I didn't get the last part of the member's question. If he could repeat that. My officials were attempting to feed me some information.

Mr. Weekes: — My point is you have an agreement, a commitment from Indian and Northern Affairs for 50 per cent of the environmental impact assessment study and now you're saying that you're going ahead without any commitment from the federal government. So is that commitment off the table from the federal government? Is that something that's going to be renegotiated? Where does that stand?

Hon. Mr. Lautermilch: — Thank you. Mr. Chairman, I was referring of course to capital, of which there is no cost sharing. There is through the Athabasca training development corporation some administration of the environmental work. We are cost sharing with the federal government on environmental studies but not on capital.

Mr. Weekes: — So what is the total cost of doing the environmental impact assessment for the northern all-weather road network?

Hon. Mr. Lautermilch: — Mr. Chairman, there are two areas of development where I am told environmental assessment would be required: one is in the Wollaston area and the other is in the Fond-du-Lac area. I am told by my officials that the aggregate amount is about \$300,000. We don't have a breakdown between the two projects, but we can certainly undertake to get that to you.

Mr. Weekes: — Thank you. I appreciate that. We understand

that there's been previous commitments from the federal government that it would pay one-third of the total cost of construction for the proposed northern road network. I believe you had just mentioned that there is no commitment from the federal government. Is that something that's been taken off the table or where does that stand?

Hon. Mr. Lautermilch: — The discussions with the federal government have been ongoing. Mr. Chairman, at no time have the federal government ever made a firm commitment for these roads. But having said that, I think that they will undertake to have a very close look at this and I think that we will ultimately achieve a commitment from them.

They, I think, understand the conditions in northern Saskatchewan and what we need to do in terms of bettering the quality of life for northerners, not only for the social development of northern communities and northern peoples, but I think for the economic development in the North as well that we are seeing take place.

Obviously the amount of dollars that have been spent in exploration as it relates to mining have been increasing dramatically because of the new incentive programs put in place by this administration. I think it's fair to say that some of the developments — precious metals, the uranium development that's taking place in the North, our mines expanding and opening up — create the need for, I think, a better infrastructure and so this is all part of that. And I think the federal government will recognize that.

And I look forward to completing an arrangement with the federal government, whoever that may be. Obviously we are in a period of uncertainty as it relates to who in fact the federal government will be at the end of the day. But I think irrespective of who it will be, there will be, I think, support for what to me makes both social and economic sense for our province and for our country.

I should say that this program has been viewed by other jurisdictions with some envy frankly because I think it's recognized that northern conditions, not only in our province but in other provinces across Canada, need the kind of attention that this administration has given to our North and to people in the North. So I think there will be buy-in by the federal government, whoever that might be down the road.

Mr. Weekes: — Thank you. In a letter from the Vice-chief Don Deranger of the P.A. [Prince Albert] Grand Council to the Premier, it is . . . states that it is worth noting that the federal government has an offer on the table. While the offer of one-third is short of the 50 per cent we are requesting, it is a starting point in negotiations. So I'm just not clear. There was an offer of one-third for capital costs and that's been taken off the table or what has happened in the meantime?

Hon. Mr. Lautermilch: — Mr. Chairman, I think there had been some discussions with respect to perhaps the intent. There's never been a firm commitment by the federal government to share a third or 20 per cent or 50 per cent and until we have an agreement inked, I guess it's fair to say we wouldn't have the money. Now if someone is suggesting that we turned an offer down at some point in time, I would say that

that's not accurate. We have never had a firm commitment for these roads from the federal government but we are of the belief that we will have down the road.

Mr. Weekes: — Thank you, Mr. Minister. Mr. Chair, to the minister, could you just clarify something. You and the Premier made an announcement of \$65.5 million for a northern infrastructure program. What is exactly does that include and does that include projected money coming in from the federal government? Is any federal government money would be on top of the 65.5 million? Could you just clarify what the announcement meant.

Hon. Mr. Lautermilch: — Mr. Chairman, the \$65.5 million that we announced is all provincial money.

Mr. Weekes: — So if there's going to be federal money coming in, where's the federal portion . . . where is that money going to be spent and how does that change your announcement?

Hon. Mr. Lautermilch: — Well I think there are a number of things that can happen. I mean if federal dollars come in as they did with the twinning of No. 1 Highway, we were able to accelerate the program. We constrained the number of years that it would take us to get the highways together. I mean obviously if you have a pool of capital of 130 million, 131 million, you can do more work than you can if it's a pool of 65 million. But at this point we don't have that commitment; we're just certainly hopeful that it will.

What we have done is committed 65.5 million of provincial government funds and we just weren't prepared to wait. I guess we could've waited and we could've done the chicken-and-egg thing where the federal government may commit if we commit, or where we may commit if they commit. But that had gone on long enough and so we felt that in the interests of northern people we would move forward. We had the financial freedom this year to be able to propose 65.5 million for that project and so that's what we have done.

And I must say it's been very well received by northerners. We had many northern leaders who joined us here in the Legislative Chambers and they had been frankly feeling, I think left out, many of those communities for too long. And so I think the commitment that we as people of this province have made is well received by northerners. And I would say it was long overdue.

Mr. Weekes: — The project on the Yellowhead is behind by several months if not years. I guess my question is, in your announcement there was a range of five to seven years to complete the northern project. Is that based on whether you get federal money or not, or why is there such a range in time?

Hon. Mr. Lautermilch: — Mr. Chairman, the member asks a very good question. And I must admit, being new to this file, my deputy would be in a much better position to answer it in a much more technical way than I could. And so I'll ask Mr. Law if he would attempt to answer on my behalf.

Mr. Law: — The time frame that we have set for the work in the North is for the most part contingent on our ability to call in

capacity in the North. That is to say if we were to set out simply on the basis of completing the capital work in a traditional fashion, we probably could get it done more quickly.

Our objective here is to see if we can't provide a greater opportunity for participation from northern participants. And part of that will require for us an understanding of the capacity of some of those communities in the North to make available people who have necessary training to do the work. It may for example involve us doing some training in that time frame as well. It also would be affected, as you've asked earlier, by the availability of other funding contributors like the federal government.

So part of the reason why we've talked about a five- to seven-year time frame is to provide for a number of the factors that may affect the capital program, including cost sharing, including the ability for us to do training in the North, including things like weather which may be a factor in terms of how we organize the work. So there are a number of components that have contributed to that time frame.

Mr. Weekes: — Thank you. Does your department have any specific numbers on how much the government will save on an annual basis by constructing these roads?

Hon. Mr. Lautermilch: — Thank you. Mr. Chairman, as I indicated we have costed out the savings for the federal government and at benefit of in the neighbourhood of \$1.6 million a year. Obviously the province will save on delivery of core services in the North with better access to those communities. And we haven't frankly costed those services out, although I would assume that the department will be doing some work on that in the upcoming weeks.

But I think it's fair to say when you're looking at isolated northern communities and when you're looking at a jug of milk costing \$12, the cost saving and the standard of living of some of the northern families can change dramatically.

As well I think it's important to note that this will create access to some communities at times when it may not be possible now. When you have to wait for a river to freeze to have a river crossing at a river road or a lake road built or a road across the lake and when you have to store up for the times when you can't get access to those communities, it's a hardship. And it's a hardship that many of us in southern Saskatchewan can't understand because we've never been in the position where we've been isolated and lived in isolation over a period of time.

But I think it's fair to say that obviously on equipment, government vehicles driving to the North will be faring much better on the quality of roads that we intend to build. As well I think northerners will find that their vehicles will last a little longer perhaps than what they are now with the quality of road that we're on.

But I think it's just a combination of savings for families, for the federal government, for the provincial government, and for industry so it's a pretty broad-based advantage that we will all share in once these projects are completed.

Mr. Weekes: — Thank you. Mr. Chair to the minister, the

Athabasca all-weather road network working group report, dated June 2003 and submitted to your government, cites several proposals for the northern road network and lists savings to the provincial government of approximately \$3.08 million. Why did the government not move on this project years ago and save more money by moving the project forward?

Hon. Mr. Lautermilch: — I guess I'd answer that in sort of the broader context of where this government has come from. When we were elected in 1991 — and I hate to give us all another history lesson but I think it's important to know where we came from — we were in a position where we were running annual deficits as a province of \$1.2 billion a year after 10 years of racking up the highest per capita debt anywhere in this nation. And we weren't in the position where we had any kind of financial freedom at that point. The banks, the money lenders, the people who had financed some of the overexpenditures that we embarked on over the years, were making decisions for us in terms of what our budgets looked like, what kind of services that we could provide. And frankly, it took its toll on the condition of our highways. So I think, you know, it's fair to say that the financial freedom that we've been able to gain by sound fiscal management since 1991 has put us in a position where we can do some things.

A cost study in 2003 for building roads . . . have increased significantly now in 2005. And as you will know, the price of fuel — whether you're a farmer or whether you're a construction worker or whether you're a taxi driver — is having a pretty major impact on the cost of building a kilometre of roads, and obviously that's reflected in the amount of bids and the size of the bids per kilometre that are coming from Saskatchewan contractors. So we're all facing a bit of pressure now and it's obvious that cost per kilometre of roads is more now than it was a while back and that's just a reality that we have to deal with.

Mr. Weekes: — Thank you, Mr. Minister. Mr. Chair, to the minister, exactly is what the Athabasca all-weather road working group report says. It's dated June 23, submitted to your government. And costs of the project ranges from 3.9 million to a high of 61.8 million. And now the announcement is made that the project will cost \$65.5 million, and that's without any federal contribution. So certainly even a year or two years or three years, the project would've saved millions and millions and millions of dollars to the taxpayer if it was done in a more timely basis.

And this project quite frankly has been talked about literally for years. The head of the P.A. Grand Council has spoke of this for many years that . . . and the people in the North, in the Stony Rapids and those areas, certainly have wanted this project to go ahead for quite some time. And they recognized that this project was very important to them and I'm sure they're very pleased that it's finally been announced but they wonder why it wasn't done 10 years ago.

Mr. Minister, you and the Premier said at your announcement a week ago that you did not have any specific plans for which roads would be constructed and which will receive upgrading money. Could you tell me when the department will know what projects will receive which money?

Hon. Mr. Lautermilch: — Thank you. And I, you know, I want to say that I very much appreciate the support that the member gives with respect to moving forward with the project and I agree that this would have been . . . it would have been wonderful to have been able to begin this 10 years ago.

But 10 years ago I can remember what those budgets were like because I was part of putting them together with my cabinet colleagues. And we were working towards, at that time, fiscal responsibility and sound fiscal management so that at some point in time we could have the freedom to be able to move forward on some of these issues.

I can recall 10 years ago the discussions that we were having with the oil and gas sector in particular as it relates to becoming more competitive, and we moved forward on that. The reaction from the oil and gas sector was record levels of drilling activity; now record levels of production both on the oil and on the natural gas side which has generated and, you know, a very nice, tidy sum for us this year in terms of surplus over and above what we had projected.

And I know members will say, well it's because of \$60 a barrel oil. And that's a factor, obviously. But the fact that the investment climate is there to be able to make that happen was why we have the freedom now. And there are other elements of our resource sector that have fared very well in the last year and have helped us — potash and uranium as well.

And what I hear from the P.A. Grand Council and the new chief, Ron Michel, is that they are more than satisfied that this government took the initiative when we had the room and the ability to be able to finance those initiatives. And I heard loud and clear from northerners from across northern Saskatchewan who were here, who weren't complaining because we didn't make the announcement in 1995. They were overjoyed frankly that we made this a priority in the year 2005 when we had the fiscal freedom to be able to do this.

And I want to say to the member, Mr. Chairman, this is not just one project that we're announcing. We are announcing a package of projects in order to link northern communities. When will the member know more in terms of the details? Well we're working with the area transportation committees because we want to be able to reflect their priorities. That's what's important here.

These are northern roads for northerners, and the priorities are going to be determined by northerners. And it's going to be northerners who are going to be assisting in putting together the physical construction and hopefully the design and the engineer as they build their capacity. And there will be more details on December 19.

Mr. Weekes: — So at this time, Mr. Minister, you don't know which roads will be constructed and which will be receiving upgrade money then?

Hon. Mr. Lautermilch: — No. I think we have a pretty good idea, but we will be putting together a more comprehensive package and we will be announcing a package on the 19th. I mean obviously it will be a combination of different levels of upgrade, and different roads require different amounts of work.

And as I said, we'll be working with northerners on their priorities because I think that's what's important.

Mr. Weekes: — Will your department consider proposals from various stakeholders in the North about which roads will be built and in what order?

Hon. Mr. Lautermilch: — Obviously the area transportation committees have been and will continue to be involved. Those are northern leaders.

Mr. Weekes: — Mr. Minister, you mentioned that you hoped to lever some money out of the companies working in the North. Does your department have an agreement with any of the major industrial partners like COGEMA or Cameco?

Hon. Mr. Lautermilch: — I would have to say, Mr. Chairman, that I was criticized by a northern Member of Parliament, now a candidate for the Conservative Party in this election, for indicating that I thought there would be some possibility to work towards a partnership with northerners, with industry, and with the federal government.

I have not changed my views on this because I think industry understands the importance of infrastructure as it relates to them developing their assets in the North. And I'll take that criticism, but I'll also tell you that we have been and we will continue to be working with industry. And I'm confident that the benefits that they will see and have seen in terms of an improved infrastructure will result in some very positive outcomes.

I would want to say that we've obviously got some work to do with whatever federal administration is around. I want to say that I would challenge every northern candidate to come forward and articulate in a very clear way their intentions to support fiscal capacity for northern infrastructure development. And I would challenge every candidate who is aspiring to represent us in the federal parliament to be supportive of what we have done and make commitments to helping us develop this infrastructure.

Mr. Weekes: — My question was concerning the major industrial partners in the North. And there's a letter dated February 28, 2005 written from Cameco's Gerald Grandey to the Premier, and it says:

I believe it is now up to the Province to work with its federal counterparts to deliver, with the pride that it has in the past, access to basic road infrastructure for the people of the Athabasca region.

Mr. Minister, this would suggest that the industry is not on board with the government's plan. I was just wondering which companies have you consulted, or have you consulted with any of the major companies in the North concerning this project?

Hon. Mr. Lautermilch: — Well I would say, Mr. Chairman, that when we embark on discussions with industry players in the North, it would be my hope that we wouldn't exclude anyone from the opportunity to discuss and improve the infrastructure in our northern part of our province. Discussions have been taking place on an ongoing basis and I can say to you today that we haven't reached a final agreement, but I'm very

encouraged by the discussions that we have been having, the government's been having with northern industry players. And I mean I don't want to single out any particular industry, but I think it's pretty obvious who the players in northern Saskatchewan are. But I think I would defer the details of that until a later time.

The Chair: — Mr. Toth.

Mr. Toth: — Thank you, Mr. Chair, Mr. Minister. Mr. Minister, a few moments ago you endeavoured to give us a bit of a political history lesson. Mind you there's a lot of political history lessons out there and you can continue to blame and point the finger at other governments as you continue to do. Unfortunately you forgot about the fact that in 1982 a government was elected and had to deal with high interest rates that you tied a lot of projects into for long-term high interest rates that a government had to deal with.

You forgot about the fact that the government of the day, and I think you at the time, Mr. Minister, you might've been part of the Blakeney government prior to '82 — put a moratorium on heavy . . . [inaudible] . . . construction — you may not have been.

You also forgot about the fact that that government at that time underfunded the pension plans to a great degree. And it's interesting to note, Mr. Minister, that since 1991 the unfunded pension liability in this province has grown to from 2.7 billion to 4.2 billion.

You did acknowledge the fact that . . . you didn't mention the fact that in 1982 the Potash Corporation of Saskatchewan, which you nationalized, was losing money to the tune of, I believe, of around \$91,000 a day. And now it's a big . . . it's a corporate citizen that's doing, that's actually bringing some good revenue into the province so you can achieve some of the goals that you're endeavouring to do.

You forgot to talk about the fact that over the last number of years you've put a lot of the burden on the taxpayers of the province in Saskatchewan through education tax. People were losing their homes through high interest rates, were losing their farms. The government of Allan Blakeney did nothing about it. Grant Devine stepped in and assisted a lot of people, Mr. Minister.

Mr. Minister, I could go on and on with a number of those issues. So if we wanted to get into that debate we certainly can but I think it certainly isn't fair that one picture should be painted and the other one left out.

To highways. Mr. Minister, a question regarding winter weights. Is the Department of Highways allowing winter weights this year, or are they putting restriction on the winter weights that are being allowed?

Hon. Mr. Lautermilch: — Mr. Chairman, I will ask my deputy minister to respond to the winter weight issue.

I only say . . . and I apologize if I offended the member. I was only trying to describe that we had no fiscal freedom in 1991. I never pointed my finger at any particular politician other than to

suggest that we had the highest per capita debt in the country, which we did, and that we moved on and balanced budgets and we put this province in a sound fiscal position. We've been lowering the debt, which allows us to do these types of things.

But I mean I didn't mean, obviously, to offend the member. And I know he was part of that administration, but he shouldn't take offence to the fact that I was only trying to describe the fact that we now have some fiscal freedom that we didn't have in 1991.

Mr. Law.

Mr. Stamatinos: — I'll be taking this particular item for Deputy Minister Law. If I might just comment on a few things. The winter weights will be in effect. The normal winter weight period commences December 31 . . . sorry, December 1 and ends on the end of February of next year. We do have a program in place that allows for the extension of winter weights at the fall period, in other words, two weeks prior to December 1, weather permitting. And we also have a two-week extension that's possible at the end of the February period for another two weeks going into March.

My understanding is because of the mild weather we've had, we've had very limited extensions on the provincial highway system for the November period, that two weeks which will now end on Thursday. But full winter weights will commence starting December 1 for three months.

Mr. Toth: — Thank you, Mr. Chair. When you mention full winter weights, you're indicating all regions of the province are going to receive winter weights. And I ask that question because the call came from a gentleman who unfortunately needs to truck down 48 Highway for a good distance, and if he doesn't have winter weights, with the length of the haul and if he's restricted, it just means that much more in his costs as well.

Mr. Stamatinos: — That's correct. Full weights, the winter weights will be on the entire system with the exception of two or three roads that are permanently restricted. And I apologize. I don't have the numbers of those highways with me but certainly we can get those numbers to the member. Most of them are in the North.

Mr. Toth: — Would the minister get those and indicate what steps could be taken if individuals happen to be on one of these highways as to how they can address their hauling costs?

Another question, Mr. Minister, as you know with the . . . as you twin No. 1 Highway you're dealing with a lot of property owners along the highway. And prior to your appointment to your position, I had been dealing with other ministers on a number of issues and concerns raised by property owners, and how they feel they've been treated. And at the end of the day, I think, Mr. Minister, I can appreciate the fact that . . . and say I've been pleased with the way I've been able to work with Highways and with officials in dealing with a number of property owners in addressing their concerns.

I do have one, a house in community of Fleming and, Mr. Minister, what approach does Highways take when they come to a gridlock with a property owner? Do they get a private

assessor in to come and assess what it might cost for that property owner and then look at that, assess that and make a final judgment? Do they sit down with an independent person to try and come to an agreement with an individual? And I'd appreciate a response to that, Mr. Minister.

Hon. Mr. Lautermilch: — Thank you very much. It's my understanding that the department had reached an agreement with the gentleman that you describe and that he later indicated that he wanted more compensation. The department had taken title to the property and sent a registered letter to the individual in question with full payment.

I'm told that later the letter was returned to the department unopened. The Public and Private Rights Board staff have been involved and they've attempted to mediate the issue and they, unfortunately, haven't been successful.

As a gesture of compromise, the department indicates to me that they're prepared to offer another lot in Fleming to this gentleman so that he may move his house. Under the terms of the original agreement, he was provided salvage rights to the house in addition to full payment at fair market value plus a management fee plus disruption costs and relocation costs. The offer of a new lot is included in the letter that was returned and this will now be offered by the PPR [Public and Private Rights Board] staff so they can arrange to meet with him. The department although doesn't expect this gentleman to be receptive to the new offer. Mr. Law may want to add to this.

Mr. Law: — To the latter part of your question, the option of pursuing a third party or independent appraisal following our normal process which does provide for the establishment of fair market value is one that we have followed in the past and certainly one that we're prepared to use where there are problems with coming to terms with a prospective land seller where we have construction. So it's one option that we have used and certainly would use if we think that can help us resolve situations like the one you describe.

Mr. Toth: — Mr. Chairman, thank you, Mr. Minister, to your official. I guess that was the other question I was going to ask because I do have . . . The constituent did send me the Private Rights Board's assessment and the numbers they give there, the low end is about where Highways' original offer was. And there's a low and a high end and I was just wondering if the department was willing to give some consideration to the difference. I know it frankly doesn't come anywhere near where the client's requests are but what I've asked of your department is to be fair and I hope we can be fair and come to resolve on that issue.

One further question I have, Mr. Minister, and I know I'm rushing these because of time constraints unfortunately. Otherwise we could have got to the broader political debate but we won't worry about that right now.

Highway 48, as you are aware, is also under construction. And unfortunately when the contractor rolled in to start work he ran into a period of real wet weather — in fact basically all summer. I think a request came from the southeast transportation authority that the highway be left to sit rather than putting any surface on and actually do the surfacing west

of Wawota to No. 9 this year so the highway could settle. I understand that Highways says that no that's impractical; we're just going to have to go with our original contract, the grading. And now I believe they're doing some surfacing work on it. The concern is they've already had to dig out a number of soft spots and, Mr. Minister, I guess I'm wondering what could be a problem down the road if it doesn't settle properly and be compacted. After all the years to try and get it built, everyone in the area certainly wants to see it stay for a good period of time once this effort's been made.

Hon. Mr. Lautermilch: — Mr. Toth, I want to thank you for your question and I have to admit that I'm just getting used to the new highway maps and finding out where some of the difficult spots are and I don't profess to know as much as I intend to know in the next few weeks. So I think it would be helpful if I would ask Mr. Schmidt, who is the assistant deputy minister of operations division, to attempt to answer that for you.

Mr. Schmidt: — Thank you, Mr. Minister. As you mentioned, due to the wet season we had this year and the contractor did move in late in the season and unfortunately did not get the opportunity to complete too much work. So there will be carry-over work on that. The grading will be completed next year, as well as the surfacing structure on that.

We still have all the contract specifications in place within the contract that requires the specific density requirements and moisture contents in the subgrade before we accept that. So we'll still be adhering to the contract, to the specifications, to ensure that it's built according to specifications before we accept it; and that the subgrade is well built according to all specifications before the surfacing structure is to go in, so that we do get value for the project.

Mr. Toth: — Thank you, Mr. Chair, Mr. Minister. One quick question and you may or may not have the information here. What's the cost to pave 1 kilometre of road to heavy-haul standards and secondary standards?

Mr. Schmidt: — Yes. There's a varying range in there because it depends on the traffic volume that you're designing the highway to. It depends as well on the soil conditions and on the granular conditions. So it's not a set number and you can't really specify the number between primary and secondary, but it ranges anywhere to surface a heavy-haul road between 100 and \$180,000 a kilometre to put the pavement structure on it to carry heavy-haul, again depending on the traffic and on the soil conditions and that type of engineering considerations.

The Chair: — Mr. Kirsch.

Mr. Kirsch: — Thank you very much. Mr. Minister, I've got some questions for you on Highway 368. I'm wondering when will it be fixed, or will it be fixed?

Mr. Law: — Highway 368 is not part of our current capital plan. We have been meeting with communities in and around the road in respect of options to address some of their concerns, and it's certainly one of the items that will be considered as the development of this budget takes place.

At this juncture the availability of funds will be a significant factor in terms of where we're able to prioritize that work. But as I say it is not included at the present time in our capital project listing.

Mr. Kirsch: — Thank you. Does the minister realize the amount of dollars that move in and out on 368 at all?

Hon. Mr. Lautermilch: — Just to speak generally, I think it's obvious that there's a growing . . . you know, as our economy grows and as our roads have assumed more and more of the transportation responsibility for our commodities, the pressures are not only in that area. And I guess budget constraints are an issue that we need to deal with. And so we then have to prioritize, working with area transportation planning committees and with communities to determine, you know, how we do what we do and when we do it.

We'll be going through another budget process, as you well know. And we will be describing the highways, the provincial highway circumstance to Treasury Board officials and to the colleagues, to my colleagues, in an attempt to have a fair amount of money, as much as I guess we can generate, to deal with the highways issues.

As the deputy minister has said, it's not part of the capital budget at this point. We have lots of areas where economic development has been increasing with similar, similar pressures. And I think the trick is to be able to, you know, match the economic development opportunities and the economic development pressures with the dollars that we have available for infrastructure.

Mr. Kirsch: — Thank you, Mr. Minister. Just for the record, I've got a list of . . . you're saying now the economic development has to grow. And I've got a list of what's happening in that area right now, okay. St. Brieux of course has their cultivator plant. There's a pea plant, a hopper cone plant, industrial heating plant, a laser cutting plant. There's grain trucking. There's a large metal forge. There's a plastics moulding plant. There's car dealerships. There's freights going in. There's holiday traffic. And there's a lot of grain being hauled. I mean the economic development is there. This area, St. Brieux has the highest per capita income in any town in Saskatchewan. They need the highway. It's not just the regular town of 500 people. So I'd ask that priority move up on that highway.

The minister spoke of northern roads. Well we've got cars that are losing their undercarriage going down 368. We've had semis roll over dodging potholes on 368 — 368 should be moved up to top priority for the economic development of this province, not just the safety reasons. It's key, not just to that area — it's key to Saskatchewan. Thank you.

Hon. Mr. Lautermilch: — Mr. Chairman, and Mr. Kirsch, I'm somewhat familiar with that area, and you are right. It is an area that has showed innovation, you know, not just in the last short while, but it's been for a long time. The entrepreneurs who have been developing that economy over the years, I think, have really led by example what can happen in other areas of our province, from manufacturing of equipment to processing our commodities to value-adding our commodities.

And I recognize the pressure on Highway 368. Mr. Law was out there a short while ago and had met with some local folks. We, I can tell you, are attempting to look at ways where we can be more innovative and more creative in terms of finding solutions to some of these problems because frankly the budget isn't large enough to deal with all the pressures.

But I recognize the activity and the strength of the economy in the St. Brieux area. My deputy has been there. I think I was to be there that day, and I had to cancel because of another issue that came, and so I couldn't attend to the meeting. But I can tell you that it's my intention shortly after the House rises, if we can arrange to be there, that I would like to meet with the local folks to see if there's a solution that we can find.

I recognize the activity taking place out there. It's a, I mean, it's a heck of a strong local economy that your constituents have created. And I think those are the kind of pressures that we like to see. If we can see that kind of development, that kind of economic development take place in every part of rural Saskatchewan, no one, no one would be happier than I. And so I will say to you this, that I'm going to work with the department and work with the local businesses to see if we can come up with some support for their activities through the Department of Highways and Transportation.

So my commitment is that we'll attempt to be out there shortly after the House rises. And I'm hoping we can do it before Christmas.

Mr. Kirsch: — Thank you, Mr. Minister. I understand that two ministers were out there just recently and I'm wondering if any conclusions were drawn from that meeting. Should there not be some results? Because I believe two of them were there just recently, to my understanding.

Hon. Mr. Lautermilch: — Mr. Kirsch, my colleague, Minister Cline, was out there. And I had planned to be there that day but something came up that kept me in Regina. But I can tell you, as a result of those meetings we're looking at some options. And we think that we can perhaps find a solution that will satisfy the local businesses who we met with. And as I said, the department is reviewing those options and hopefully we can put something forward to the community.

Mr. Kirsch: — Mr. Minister, are you talking a partnership? You mean the people there might have to be paying for the road?

Hon. Mr. Lautermilch: — I'm talking about some options that we have put in place. I mean it's . . . A partnership with local businesses wouldn't be unique. Those are arrangements that have happened in other circumstances, but that's not what I'm specifically talking about tonight. What I have said is we're looking at a number of different options. We haven't chosen any particular option but we will be presenting from the list of options what we believe might be a workable solution.

Mr. Huyghebaert: — Thank you. Mr. Chair, light's on now. Mr. Chair to the minister, I would like if I could get an update on the status of Highway 13 from Ponteix to Cadillac. It was being repaired, rebuilt this summer, part of an ongoing attempt to get Highway 13 where it was passable. I had the opportunity

just before session to travel that section of the highway and it was at that time basically impassable.

I received a letter or an email, correspondence from people in that area that were very, very concerned about how that piece of highway would be left during the winter — at the end, if you wish, of the construction season. And I don't have an answer — and I forwarded the letter to your office — and I don't have an answer on that as yet. And I don't know if an answer went directly to the people that wrote the letter to me, or if the letter hasn't been answered. But I'd like an updated status report on that section of Highway 13 if I could.

Hon. Mr. Lautermilch: — Mr. Huyghebaert, I think I signed the letters off today. I think this morning. So I'm assuming you'll be getting a response very shortly.

I'm told that the weather conditions . . . By the way, you'll know I know Highway 13 quite well. It runs through my hometown, and so I know that area from Assiniboia over to Cadillac. I haven't been on it for a short while but I understand the condition of it is not what we would like to see. But because of the season they weren't able to complete the work last fall, the wet conditions as I am told. But I'm going to ask Mr. Schmidt maybe to give you an update in terms of what we might expect over the winter.

Mr. Schmidt: — Thank you, Mr. Minister. As the minister mentioned, and it was a late start on that project as well because of contractor progress and other projects getting there, so they didn't complete the project this year.

There will be challenges through the winter but we will be working with a contractor to put it in the best condition we can for the winter, so that we can maintain it as well with the snowplows and keep it well maintained throughout the winter for the snow and ice conditions.

And then in the spring we will again be working with the contractor to provide traffic gravel where required to accommodate the traffic through it as best we can. And we're hoping for an early spring that they can get at it quickly and some dry weather in the spring to complete it in a timely manner.

Mr. Huyghebaert: — I thank you for that. And I'm glad you said it's contractor delay because I've heard from other people within the department at another meeting that it was weather delays. Well that just happens to be the driest RM [rural municipality] in the province of Saskatchewan. So I don't really think that dry weather impedes the construction of highways.

My next question is Highway 43 west of Gravelbourg. This highway has been in a state of disrepair for basically years and I'm wondering if it's on the radar screen for the near future.

Mr. Schmidt: — This highway's not on any capital upgrading plan at this time, although we annually review our projects and look at them and bring them into the array every year for possible upgrading candidates.

What we will continue to do is we'll continue to provide routine maintenance on this highway as best we can to manage this thin

membrane surface highway and keep it as safe as we can, to continue to repair the surface breaks as they appear, and if we can't get to them in a timely manner because of other priorities, mark them appropriately. So the plan is to continue with routine maintenance and continue to keep it in as safe a driving condition as we can through those types of means.

Mr. Huyghebaert: — I thank you for that. And my last question is if I could get a status update on the dealings with the Notukeu flood group.

Mr. Law: — The approach that's been agreed to internally included a couple of other agencies of government which I was able to conclude this week. And we've identified a couple of options that we have now undertaken to broach with the landowners who are involved to get their concurrence to that process. And on the basis of that, should all go well, we should be into some discussions in terms of a separate review as soon as that agreement is provided.

Mr. Huyghebaert: — I thank you for that, Mr. Law.

The Chair: — Mr. Stewart.

Mr. Stewart: — Thank you, Mr. Chair. Mr. Minister, my question is about that section of Highway 19 between Highway 42 and the resort community of Elbow. Elbow is probably the most developed tourism destination on Diefenbaker Lake, and frankly the road for the last several years has been impeding the ability of the resort to grow. People just don't want to go there, particularly with RVs [recreational vehicle] and so on. Plus the road is also a major grain-hauling route.

I know that the Department of Highways has expended considerable effort in patching the holes this summer, as they usually do, but it appears that that's never going to be a real solution for that road. It seems to be too soft for the weights and the volume of traffic that's on it. I wonder if there are any plans to do a more major overhaul and rebuild of that section of road.

Mr. Schmidt: — We've had the opportunity in the last few years to work with the area transportation planning committee in the region and as well, prior to that, we worked closely with a group development and transportation plan for the area when the Loreburn terminal was constructed there to manage the traffic flows and the heavy traffic.

And working through those plans and those priorities we've been able to upgrade Highway 19 from Elbow north through the Prairie Grain Roads Program. We've been able to strengthen that using some new technologies — Pavement Scientific International technologies. As well it was identified the east-west route of Highway 44 and again through the Prairie Grain Roads Program and working with local municipalities we've been able to designate Highway 44 between Highway 19 and 11 as a heavy-haul route and weight restrict that and keep it as a thin membrane surface. And the trucks are then designated on a heavy-haul route to the north in partnership with the local municipalities.

We've also been able to work on Highway 44 to the west, again working with them on rationalizing some of the system there to address some of the haul concerns there as well. We've also

been able to work through Prairie Grain Roads Program and upgrade a portion of Highway 42 in the area as well to deal with some of those issues.

We continue to deal with the remaining thin membrane surface portion of Highway 19 that you've mentioned. The plan remains to . . . Unfortunately that project did not qualify under the Prairie Grain Roads Program for upgrading so we're continuing to work through routine maintenance to maintain it as best we can as a thin membrane surface highway for the time being.

Mr. Stewart: — Thank you. So for the time being I'm wondering how much longer that's going to continue. It is a real problem for the community of Elbow, not to mention truckers and so on. But my major concern is the community of Elbow and the tourism potential that's lost there because of this.

Mr. Schmidt: — Yes, thank you. The current Prairie Grain Roads Program is coming to an end. I believe there's a year or two left. And what we would like to do is we would like to again sit down with the federal government and start working on the next generation of Prairie Grain Roads Program to address some of the outstanding corridors like Highway 19 there, to see if we can leverage some federal assistance there to assist in, like I said, building some of these corridors that still remain outstanding.

Mr. Stewart: — Thank you.

The Chair: — Mr. Weekes.

Mr. Weekes: — Thank you, Mr. Chair. Just one more question to the minister and his officials. The west side of Saskatoon, Highway 14 there is the . . . And I believe the paved road going north is 658. It's the road from Highway 14 that connects to 16 and goes on. This is a road that connects, well to Sask Place and Saskatoon Livestock Sales. My point is I believe there's a desperate need for a turning lane at that location. On Saturdays or sale days for Saskatoon Livestock Sales or when people are going to, well formerly the Sask Place, there's a real congestion of traffic turning left. When I'm saying turning left, I'm coming from the east, from Biggar to Saskatoon, and turning left on to that road. Is there any plans to put in a turning lane in that area?

Mr. Schmidt: — I believe that the city of Saskatoon is actually looking at some changes and development in that area there, and considering upgrades to that intersection is part of those development changes. So we've had some preliminary discussions with the city, addressing some of the concerns there. And looking at incorporating improvements into that intersection at the time of when those changes in development and rezoning will be done at that area.

Mr. Weekes: — What is the timeline and what is the involvement of the department in that development on the west side of Saskatoon?

Mr. Schmidt: — I'm not too sure of the specific timelines that the city is looking at actual development changes, but I believe they were looking within the next year or two to start to making changes to the infrastructure to accommodate some of the proposed changes. And the involvement of course that the

department would play is where there is highways that are a component of that, that are within the jurisdiction of the province, we would be looking to address changes in zoning and changes in traffic patterns to ensure that the integrity of the highway system and the safety of the provincial highway system is maintained as part of the development proposal and changes in the infrastructure requirements.

Mr. Weekes: — Thank you.

The Chair: — Dan.

Mr. D'Autremont: — Thank you, Mr. Chairman. Mr. Minister, officials, I listened with interest while the minister talked about the history of the province and what brought us to the area of highways and the discussion surrounding cost benefits. You know, perhaps if the governments of the 1970s had exercised some fiscal responsibility, we wouldn't have been into the situation that we were.

You know you take a look. In the early 1970s the price of oil was \$2 and it rose to \$40 a barrel during that time. And yet at the end of the 1970s and the early 1980s, the province had an accumulated debt of over \$6 billion. And that's while interest rates were running at 24 per cent.

You know, potash at that time in the 1980s dropped off. But the province had bought the potash mines for almost \$700 million at 16 per cent interest rates at that time, and you calculate that out over a period of 15, 20 years and you're talking a significant amount of money.

When I look back, I was working out in the Swift Current area in the early 1970s, and the highway structures at that time in that area going from Cantuar out to Hazlet were very poor. The province wasn't putting the money into the highway structure in the 1970s. My hometown of Alida at the time didn't have a highway coming to that town and we do now. During the 1980s we had a decent highway coming into there. We had two of them actually, 318 and 361. Now both of those highways under this administration are virtually impassable. People avoid driving on those roads because this government is not funding the highways even though in that area and out in that Swift Current area where I was working are generating huge oil revenues for this province.

The government of the day in the 1970s mismanaged their financial responsibilities by increasing debt and spending the money on holes in the ground in which they lost money. Those holes in the ground are now producing a good return for this province as private enterprise. But during the 1970s under the NDP administration of the day they were losing money.

The member from Regina Coronation Park talks about the holes in the ground flowing oil. That is developed by private enterprise and when government got involved in it they didn't do well, just as this government hasn't done well in their investments around the world. Dot-coms all over the place that are losing money. NST [NST Network Services of Chicago], \$16 million in Chicago. Navigata has been a consistent loser of money. So when you talk about fiscal responsibility this government, both past and present, have done a poor job.

When you have \$60 a barrel oil you should be having a boom in this province. And this NDP administration has failed to provide that leadership to this province. And fact is last year's job record is 6,200 less people working in a time of unprecedented oil prices just as in the 1970s, \$40 a barrel was an unheard of high price for oil at any point in time in history. Grain prices were the highest they ever were in the 1970s. And what did we come out of the 1970s with? Six billion dollars in debt at extremely high interest rates.

So when the minister talks about fiscal responsibility I think he needs to go home and look in the mirror and see what he and his party have done in the past and are currently doing in providing an economic environment for this province to grow in.

During the 1930s we were a million people in this province virtually, and we're still a million people after that party has been 40-some years in power.

And so when you take a look at fiscal responsibility and growth in this province, you've got to look in the mirror and then you'll be face to face with the failure, Mr. Minister.

Take a look around the highway structures that we have in this province. You go to municipalities. You go to small towns and you say to them, yes, your highway is in poor shape. It needs to be fixed up. And if you want it fixed up, you're going to pay for half of it. They're already paying their taxes. They're already paying their fuel bill when they buy gasoline. And yet you are adding an additional burden on top of them. And if they don't pay, they don't get the road fixed so that means that the local ratepayers are going to pay it on the municipal roads, they're going to pay it on their town streets because this province . . . this government is failing in its duty when it has the financial resources.

No. 48 Highway from the Manitoba border to No. 9 is one of those roads servicing Maryfield and Wawota that the government went to them and said, you want your highway fixed — because it's also on a grain haul; there's the terminal, the Pool terminal at Maryfield — if you want your road fixed, then you're going to pay half of it and the fact is you're going to pay for it up front, and we will pay you out over five years for the Department of Highways' half.

So the people in those two municipalities have to pay the normal taxes that everybody else in the province pays when it comes to highway costs, and then they pay an additional half out of their property taxes.

You talked about options with the member from Batoche. You talk about options with the northern highways. What are the real options there? The real options are if you want your road fixed, you're going to pay personally out of your property taxes because this NDP government is unprepared to fund the real costs of highways in those communities. Again, another failure by this NDP government when they're raking in unprecedented returns.

You know, if you look at those communities paying, you're asking basically for privatization of those roads. What's next? Are you going to charge tolls on those roads to collect further

money to pay for highways?

So, Mr. Minister, when you come down to options on highways, what are you looking at? Are you looking at different kinds of roads that may be an option for communities? Or are you looking at different funding proposals where the local people have to pay to get a highway in their community?

Hon. Mr. Lautermilch: — Mr. Chairman, I'm going to ask Deputy Minister Law to outline different options that have been used and different options that may be used in the future.

Mr. Law: — Thank you. The approach that the department's taken in the past to partnerships has been one where we've attempted to identify opportunities in part for cost sharing, in part for the optimal operation of roads in those communities and jurisdictions.

In some instances we've done this on the basis of the creativity of some of those communities in identifying the ability to bring aggregate to a particular project. In other cases, it may be to assist us with the operation of the road in terms of some ongoing maintenance. In some instances, it may simply be doing some mowing on behalf of the department in and around those areas. And more recently we've talked about some work that we can do in terms of planning. So there are a variety of different options that are brought to the table.

And the reason that we do this is largely to deal with volume of demand that is out there. It is currently beyond the available budget dollars that we have. And consequently our ability to prioritize is predicated on the opportunities that we have with some of these communities to distinguish those projects ahead of others where we've been unable to bring the necessary dollars to put those on our capital project list.

The Chair: — Not seeing any further questions, we will now go to voting off the supplementary estimates for the Department of Highways and Transportation, vote no. 16.

Central management and services (HI01) for 150,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Operations of transportation system (HI10) for 2,441,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Transportation systems (HI04) for 1,000,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: —

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2006, the following sums for Highways and Transportation, 3,591,000.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — And I'll ask a member, Mr. Trew, to move it. Thank you very much.

[Vote 16 agreed to.]

The Chair: — That concludes the estimates for the Department of Highways and Transportation. Mr. Minister.

Hon. Mr. Lautermilch: — Mr. Chairman, I want to take this opportunity to thank my officials for their support. I know they have a challenge. There's never enough to do all of the things that we like to do. And hopefully we can have successful deliberations as it relates to our budget. And I want to thank the members of the opposition for their carefully thought through questions this evening. And I appreciated their diligence tonight. Thank you.

The Chair: — Mr. Weekes.

Mr. Weekes: — Mr. Chair, I'd like to also thank the minister and his officials. It was very interesting and I look forward to the debate and questions in the future.

The Chair: — Thank you. The next item of business before the committee will be the consideration of supplementary estimates for the Department of Government Relations. We'll take a few moments while the ministers and their officials trade places here.

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

Subvote (GR04)

The Chair: — The next item of business before the committee will be the consideration of supplementary estimates for the Department of Government Relations that can be found in the Estimates book on page 13.

I recognize the minister and ask the minister to introduce her officials.

Hon. Ms. Atkinson: — Thank you very much, Mr. Chair. Tonight I'm joined by Harvey Brooks, the deputy minister for Government Relations; he's on my left. On my right is Eric Johansen, director of immigration. And beside Mr. Brooks is Wanda Lamberti, who is the executive director of central management services for GRAA [Government Relations and Aboriginal Affairs].

The Chair: — . . . and do you have any statement that you'd like to make at this time? Not seeing any from the minister, Mr. Weekes.

Mr. Weekes: — Thank you, Mr. Chair. Welcome to the minister and your officials. I have a few more questions concerning immigration. With the recent federal election that's under way, the federal Liberal Party last week introduced an immigration plan, program. Has this announcement or any part of it been negotiated

with the province of Saskatchewan and if so, what are the details?

Hon. Ms. Atkinson: — There are a number of initiatives that the federal government has introduced. One of the initiatives is a labour market agreement for funding to the province of Saskatchewan in the whole area of training.

My understanding is that immigration will receive some of that funding over the next five years. My understanding is that that particular agreement has been signed and sealed and delivered upon and it will not be affected by the result of any future election.

The second initiative has to do with settlement, so settlement money available to the various provinces and territories. That initiative could be affected by the outcome of the federal election. As well the minister has . . . of immigration federally or Citizenship and Immigration, has agreed that international students that work off-campus will be able to work off-campus. They haven't been able to do so in the past.

I spoke to the minister about that item last week because I was concerned that if the budget was not . . . or the supplementary estimates were not passed by the federal House that there would be some impact upon that. He assured me that because the committee had dealt with this, that basically international students would be able to work off-campus regardless of whether the supplementary estimates were passed.

However I did note in a document that I read that it may require supplementary estimates to be passed by the House of Commons, so that one is not clear. The minister indicated one response to me but their written documentation indicated another. So we're trying to seek clarification on that.

But it appears as though from the labour market point of view, we have a signed and sealed and delivered agreement. Some settlement issues will require the results of the federal election. And in terms of off-campus employment by international students, we seem to have a contradictory message and we're trying to get confirmation from CIC [Citizenship and Immigration Canada] on that item.

Mr. Weekes: — Thank you, Minister. How long has your department been in consultation or negotiation concerning this announcement that the federal Liberal government made last week?

Hon. Ms. Atkinson: — Oh I would say that the ministers of Immigration have met with the federal minister on two occasions: once in July; once in early November. There are ongoing issues that various Immigration ministers have across the country, whether they're provincial or territorial ministers. And many of the issues have to do with settlement and integration issues, labour market issues, and then the ability for international students to work off-campus.

So there have been ongoing discussions for some time. And we understand from the minister that he's been trying to address these issues internally for some time.

So the announcement by the minister did not come as a huge

surprise because we have been speaking about the need to reunify families, we've been speaking about the need to improve processing of people who are waiting to get into Canada. We've been speaking about the need to have some of the embassies, the posts in various countries, and the difficulty of people who are trying to get into the country getting through the bureaucratic process in those embassies. So the minister's announcement was not surprising at all because these have been ongoing discussions between territorial and provincial ministers and the Minister Responsible for Immigration federally.

Mr. Weekes: — Thank you, Minister. Well maybe the, maybe the negotiations were in the works but it seems obvious the timing was related to the election that's taking place because the federal Liberal government made many, many announcements. It was just it seems to be convenient that it was made at that time.

How much money will Saskatchewan see from this announcement by the federal government?

Hon. Ms. Atkinson: — In terms of international students being able to work off-campus, the federal government has allocated resources to their own individual department, Citizenship and Immigration, to process international students who want to work off-campus. So that's not money the province will receive.

In terms of the labour market money, there has been an amount of money that has been . . . that will be provided to the province in terms of training but there will also be federal dollars that will be provided to the province in terms of training. The exact allocation of how those training dollars will be allocated has not yet been totally determined but there is a sum of money.

In terms of settlement and integration, we have not yet received confirmation on that. But once again that's something that will have to be . . . that it will be determined as a result of the federal election and its outcome.

Mr. Weekes: — So if I understand right, the amounts are uncertain except in the training area. So how much is dedicated to the training aspect for Saskatchewan?

Hon. Ms. Atkinson: — I think that that is a question that could be answered by the Minister of Learning.

Mr. Weekes: — Thank you. The question concerning . . . How many full-time equivalent positions were there last year and how many are there now?

Hon. Ms. Atkinson: — In 2004-05 we had funding for 13.1 positions. Pardon me. In '04-05 we had 13 positions. We have received additional money in this year's budget, that's what we're talking about now, and that will allow us to increase the numbers of full-time equivalents by 13.1. So basically we're doubling the size of the department with this allocation.

Mr. Weekes: — Do you expect that to increase in next year as well?

Hon. Ms. Atkinson: — That's a possibility. We haven't yet had our budget confirmed for '06-07. But that is a possibility.

Mr. Weekes: — Thank you. I have a copy of the Saskatchewan immigrant nominee program survey on entrepreneur category criteria. Could you table a copy of the results of that survey?

Hon. Ms. Atkinson: — Yes we can table that. I don't have it with me, but we can provide you with a copy of the results.

Mr. Weekes: — Thank you. You mentioned last time we met, concerning an entrepreneur category . . . Could you give us more outline of the timing when that program would be in place?

Hon. Ms. Atkinson: — We will announce our changes to the entrepreneurial category in the new year.

Mr. Weekes: — Are you able to shed any light on some of those details today?

Hon. Ms. Atkinson: — I can't. I'm not going to scoop myself. Nice try.

Mr. Weekes: — Well it's worth a try. I certainly am looking forward to the announcement because there's other provinces in the country are certainly well ahead of us in that area, notably Nova Scotia with their economic immigration and Manitoba with their entrepreneurial program and PEI [Prince Edward Island] with the immigrant partnership. And certainly those provinces have certainly used their programs to the advantage of their provinces and certainly attracted a lot of economic growth and development through those programs. So I certainly am looking forward to what your announcements will be concerning a business category or an entrepreneurial category that you call it.

Your department as you said have basically doubled the number of full-time equivalent positions. Could you tell us this evening what was the average processing time in the past for processing applications and what is your goal in the future for processing applications?

Hon. Ms. Atkinson: — First of all I just want to say this in terms of our ability to attract business people to the province — and you mentioned the Nova Scotia program — I just want you to be aware, Member, that there are some significant issues that the federal government has with the Nova Scotia program. We want to be very, very sure that because the immigrant nominee program is very important in terms of the future of this province, in terms of attracting newcomers to Saskatchewan including the farm category and the entrepreneurial category and the skilled worker category, that we don't mess it up in terms of our relationship with the federal government. And I just want you to be aware that while you may argue that the Nova Scotia program is more advanced than ours, we understand that there are some serious issues around that program.

In terms of the questions that you asked, I understand that those are questions that you tabled in this Assembly. The answers to those questions will be . . . They've been ordered, along with a number of other questions, and we will provide you those answers within the time period that we have to answer those questions.

Mr. Weekes: — On the first point, we don't know what your economic . . . your entrepreneur immigration program is so it's hard to say if Nova Scotia is better or worse than what you're proposing. But given that there's some very interesting things that are . . .

Hon. Ms. Atkinson: — What I can tell you is that our program will be about bringing newcomers, entrepreneurs to the province and they will live in the province, they will own a business in the province. It is not a program where people are going to be able to, in essence, come in through our program and then go elsewhere. They will have to establish a business in Saskatchewan. And they will have to manage that business and be in the province of Saskatchewan. That's very important because this is about building the province. It's not about a way to get into Canada and then go elsewhere.

Mr. Weekes: — I agree with you, Minister, on that point. I guess the question is, what are the restrictions and how long does an individual or family or investor have to stay in the province? The question is: what are the restrictions? But certainly with the proper economic climate in the province I would expect and would want any economic immigrant to remain in the province. Certainly that would be the position that we would have. But again it's about the rules and regulations around whether we attract economic immigrants in the first place, and certainly we need to work with those people to keep them in the province and continue to contribute to the economy.

As far as the questions that I have tabled it's . . . Naturally we aren't very pleased on the opposition at how long it's taking to get a reply to those questions. The questions that I tabled were very straightforward questions and I don't see why it would take I believe six months to answer them. But given that I guess that's what we have to deal with.

A question to the minister, Mr. Chair, is: you speak in terms of promotion. And what has your . . . your department have plans for promoting your immigrant program and what is the cost of that program?

Hon. Ms. Atkinson: — The budget for marketing and promotion will be about \$350,000.

Mr. Weekes: — Thank you, Minister. What types of advertising is your department doing and in what jurisdictions will it take place?

Hon. Ms. Atkinson: — Up until now our marketing and promotions budget has been very small. We have gone to the UK [United Kingdom] to the immigrant show. It's a showcase of various countries, provinces, to talk about immigration to people who are going through the show. As well we have had some limited advertising in various journals attracting nurses, doctors, and so on to the province.

But as part of this supplementary estimate, we have been able to receive additional, ongoing funding which will allow us to certainly ramp up our marketing and promotion budget. So when I say 350,000, that's what we intend on . . . that's what we have budgeted in terms of the future, ongoing, for marketing and promotion.

Mr. Weekes: — And where will you be doing that advertising?

Hon. Ms. Atkinson: — Pardon me. Could you repeat the question?

Mr. Weekes: — Where will your department be doing advertisement, in what jurisdictions?

Hon. Ms. Atkinson: — That has not yet been determined. We have just received the approval, and we intend on focusing on some countries. Certainly Germany will be one country that we'll be focusing on. We think that there's some real opportunities in South America, Latin America in terms of bringing newcomers to the province. We think there's some opportunities in the Philippines. And we also think there may be opportunities in China.

Mr. Weekes: — Thank you. Since 2001 Saskatchewan has seen a youth out-migration of almost 14,000 people. Does your department have any specific plans to target young people and their families through the immigrant nominee program?

Hon. Ms. Atkinson: — I think if you look at the age of people that are coming to the province under the immigrant nominee program, it appears as though they are people in their 30s and that certainly is a demographic that we're extremely interested in.

Mr. Weekes: — Thank you. Just to go back on another item. I believe you said that you're going to double the full-time equivalent to 13.1 positions. Last week you had said that, well, for the remainder of 2005-2006 budget year, cabinet has approved incremental funding totalling \$749,000. You go on to say what this will allow us to do is hire 24 additional employees in the department of immigration. Could you just explain the difference between numbers?

Hon. Ms. Atkinson: — I'm going to ask the deputy minister to answer because there is a difference between FTEs and positions.

Mr. Brooks: — And the difference is that, while there has been funding provided and we have planned for 24 additional positions in the department for the 2005-06 budget year, that will work out, our estimate at this time is an increase of 13.1 FTEs, full-time equivalents. So the addition for this year is the 13.1 full-time equivalents, and that accounts for the 24 positions over the partial year.

Mr. Weekes: — Thank you. Just a few questions on the immigrant internship pilot project. Could you just tell us, explain the program. Where is it being held? Who is involved with it?

Hon. Ms. Atkinson: — The pilot project is being delivered in Saskatoon, and it's a partnership between the Saskatoon Open Door and the intercultural association.

Mr. Weekes: — And how long would this pilot project last, and what are your plans in the future then for the program?

Hon. Ms. Atkinson: — We see the funding in this year's provincial budget. The pilot project begins on December 1. We

anticipate that the pilot project will run for one year from December 1 to the end of November of next year, and we want to — or '06 — and we want to evaluate it, and we will determine whether or not we continue this type of partnership in the future.

Mr. Weekes: — Thank you very much, Minister. Just in wrapping up, I'd just like to thank you and your officials for answering the questions. As I'd mentioned before, we in the Saskatchewan Party certainly see the importance of immigration into Canada, into Saskatchewan in particular, and certainly we welcome any initiatives in that area. So once again thank you for your questions, and good evening.

The Chair: — Mr. Weekes, thank you. Minister, if you have any wind-up comments, we'll take them now.

Hon. Ms. Atkinson: — I want to thank my officials for being here this evening. I also want to indicate very clearly to the public that this is the beginning of a very aggressive immigration strategy and this is . . . we need this immigration strategy in order to compete nationally and internationally.

We know from all of the demographic work that's been done in the province that the post-war baby boomers are going to begin to retire, and with a fully integrated First Nations and Métis population, and with our young people working in the province of Saskatchewan, we will still be significantly short in terms of our labour market.

And we believe that we are going to be competing internationally with all kinds of countries for newcomers. And it's going to be hugely important in terms of the future of this province that we create welcoming communities, welcoming employers, welcoming legislators, and just welcoming if we are going to retain and recruit newcomers to our province.

The Chair: — Thank you, Minister. We'll take a brief break while ministers do their switcheroo. Thank you.

Subvote (GR10)

The Chair: — Thank you, Mr. Minister. The next item of business before the committee is the consideration of estimates for Government Relations, vote no. 30. I'll recognize the minister and ask the minister to introduce his officials.

Hon. Mr. Taylor: — Thank you very much, Chair. I appreciate the opportunity to be back in front of the committee. I will reintroduce two of the officials from the department that were here with Minister Atkinson and the immigration file and then the other officials who are with me to support Government Relations.

First to my left is deputy minister of Government Relations, Harvey Brooks; and to his left is the executive director, central management services, Wanda Lamberti. To my right is the assistant deputy minister, municipal relations, Maryellen Carlson. Immediately behind me is Russ Krywulak, the executive director, grants, administration and provincial-municipal relations; Kathy Rintoul, who is the director of the New Deal secretariat; and Keith Comstock, who is a policy manager, policy development within the department.

The Chair: — Thank you, Mr. Minister. And, Mr. Minister, if you have any opening remarks, we'd have them now.

Hon. Mr. Taylor: — No, I think I made my opening remarks at the previous session. I know we are here on the item particularly relating to the New Deal secretariat and I am prepared to answer any questions.

The Chair: — Thank you, Mr. Minister. Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you, Mr. Chair, and welcome to the minister and officials. First off, Mr. Minister, I'd like to thank your staff for getting me this material that I'd asked for. I'm very appreciative of it. It came in a very, very timely manner so I'm very appreciative of that. I haven't really had a chance to read it all and study it yet, but at least I have it now. And so I thank your staff for that.

Mr. Chair, to the minister. We were just going through the New Deal last session and I just have a few questions I just wanted to tidy up. One question that I have is under the commitments of the New Deal by the Government of Saskatchewan, it states that:

Saskatchewan agrees to administer and allocate to municipalities funds provided by Canada under this agreement for the purposes described in this agreement and in so doing agrees to invite participation of representatives of municipalities and decisions regarding the administration of the funds.

So my question to the minister would be: as per the agreement have the municipalities been consulted on who should administer this fund? And also were other options, other than the one that the minister explained last week that is being done, were other options considered? And the basis for why the decision was made for the government to administer these funds.

Hon. Mr. Taylor: — Thank you very much, Mr. Chair. Several parts to your comments and questions.

And I just want to add my own thanks to the folks in my department who provided you with the material that you referred to. The department has impressed me since I've been named here at their responsiveness, and municipalities have been the beneficiaries of that responsiveness as well. So I'm very pleased to see that you've received the material. And secondly, thank you very much for your expression of appreciation to the department. They deserve it.

Secondly on the actual question itself with regards to the administration and the options and that sort of thing, prior to the New Deal being signed we had undertaken a considerable amount of consultation with the representatives of SUMA [Saskatchewan Urban Municipalities Association] and SARM [Saskatchewan Association of Rural Municipalities] to discuss a whole number of things relating to the New Deal. When we sat down with the federal officials we had, thanks to that consultation, a pretty good understanding of what the municipal sector needed out of the deal, and had reached an agreement with the federal government prior to that to recognize the needs and priorities of the different provinces and the municipalities

within those provinces.

So when it came time to actually finalize the deal, we were able to bring back to our consultative table with the representatives of SUMA and SARM the whole concept of the administrative package, and it was a matter of discussion amongst the associations and the provincial government. And so when we were discussing the matter with the federal government, it was understood it's a federal program, they're federal dollars, the federal fund should be contributing to the administration of the program. The province should not have to bear the costs of administering a federal program. And so there was general agreement at the end of the day that that would be part of our agreement. So it was subject to the consultation within the organized structure.

Secondly, we have put in place a partnership committee that includes representatives of again SUMA, SARM, and the New North. And this partnership committee will be evaluating the way in which this New Deal program rolls out, and will be advising us as we prepare for — it seems a long ways away now but time flies fast — the next generation of this program. The federal government has indicated the New Deal is a five-year . . . has a five-year mandate. It is renewable for another five years, but the details of that next five years are not in place. And our partnership team will be evaluating the way in which this rolls out for providing advice for the evolution of the program to the second five years.

Mr. Huyghebaert: — Was there any consideration given to having the municipalities do the administration for this fund?

Hon. Mr. Taylor: — Other provinces have the program administered by the municipal associations. This was something that was discussed, but not something that was discussed as a serious option. It was discussed in the context of how feasible is it. The costs of delivering the program through the municipal sector here would have been considerably more than the costs of running it through the provincial government. So it is my understanding from the conclusion of our discussion that this was indeed the best option for the province of Saskatchewan.

Mr. Huyghebaert: — I'm not sure how much more cost it would be for the municipalities. I guess the question would go something along the lines then, did the municipalities wish to have a shot at doing the administration? Because we see the cost for this year is \$410,000 and you mentioned hiring more people and you've got staff. What would be the different costs for the RMs if they could . . . If your department can do it with X number of new staff, why couldn't the municipalities, and divert some of the administration costs of the \$410,000 to the municipalities for hiring people rather than vis-à-vis the government hiring people?

So I guess the direct question is, did the municipalities stand up and say they would like to attempt to do it or did they stand up and say, hey we don't want any part of this; you do it as a government?

Hon. Mr. Taylor: — Thank you very much again for that question. In provinces where the municipal association is delivering the program there's one municipal organization for the province. In Saskatchewan of course we have three

municipal organizations. They are very separate. They consult with us collectively but they are indeed separate organizations. They realize of course that they're retaining their autonomy and not surrendering it in any means. Therefore to deliver a single program through three different administrative bodies automatically provides some additional expenses to do that.

Secondly I think it should be pointed out that during our consultation at no time did any one of the three municipal associations in Saskatchewan actually ask to undertake the administration of the program.

Mr. Huyghebaert: — Thank you. Thank you. That's what I wanted to know.

Mr. Minister, also it may sound a little bit minor, but I know there is other jurisdictions that in their negotiations — which each New Deal was negotiated independently between the province and the federal government as you're well aware of — but I notice other jurisdictions bore the cost of the administration to administer the fund. I know there's one that, and I'll use the statement that:

. . . utilizing existing resources with no administrative or overhead charges against the Funds contribution transferred . . . under this Agreement.

Was there consideration by the Saskatchewan government to waive the administrative costs? Because this is \$410,000 directly taken away from the municipalities this year.

Hon. Mr. Taylor: — Again thank you for the question. It actually reminded me as well of one thing that I neglected to say in the last answer. And that was that the Department of Government Relations, administering the infrastructure programs in conjunction with the federal government over the last five years, has developed considerable expertise in delivering federal programs in consultation with the municipalities. And as a result, that expertise we've built up is recognized by the municipal associations as having some value.

Secondly, specific to this question and tying into that last answer. I believe the quote you're probably referring to is the province of Alberta which is paying for its own administration. And of course there really isn't another province in Canada that can compete with Alberta on anything these days. The amount of dollars that they have available of course is considerable.

But the provinces who are not paying for administration, the deals that have been signed by the provinces with the federal government where the federal government is paying the costs include British Columbia, Manitoba, Ontario, Quebec, the Yukon, and the Territories. Those provinces, as I said, are in the same position as Saskatchewan where they have agreed not to take over the costs of supporting the . . . not supporting a cost to the provincial government. In addition to that we did, prior to entering our negotiations, develop a business case for this.

One of the things I did not mention the other day when we were talking about this and that \$400,000, is that this is to a certain extent an estimated budget. We have an agreement with the federal government that indeed any dollars that are expended will be covered. If they're less than that, it'll be less than that. If

they're more than that, it'll be more than that. We are not committing the taxpayers of Saskatchewan to incur any of the cost of this.

On the other hand, are municipalities paying for this because it's money that they don't have available to them? Well in actual fact if the deal hadn't been negotiated in the first place, none of these dollars would be available to them. They participated in negotiation of the process. There's a net benefit to the municipalities that is substantial and it's in addition to the infrastructure programs that we're administering. So there's a general understanding that for all intents and purposes the taxpayers of Saskatchewan should not be paying for a federal program.

Mr. Huyghebaert: — Well I agree it's a benefit to the municipalities. That's why they were really fighting for this whole new deal.

Mr. Chair, to the minister, I also noted in other jurisdictions, a couple of provinces, and I am sure that you're aware of this, Manitoba for an example, has a clause in their agreement — again individually negotiated agreements from federal government to province — but they have a clause and it reads that:

... Funds are incremental to provincial infrastructure funding available to Local Governments. Not reduce, eliminate, or clawback any gas tax funding to Local Governments.

Prince Edward Island clause:

[Not that it will] not reduce, eliminate, or claw back any Municipal ... funding, which is currently being made available ...

However when you look through the Saskatchewan one I can't find a clause that reads like that at all. And I'm wondering, Mr. Minister, if I'm missing something, or is there a section in our deal where a similar clause is located. And if there's not a clause in there, why did we not include a clause such as this?

Hon. Mr. Taylor: — Thank you very much, Mr. Chair. It is clear that the ... and we're just digging it. It's in the appendices to the deal in Saskatchewan. And I'm just getting it pointed out to me here.

At the same time I can indicate that, prior to the negotiations even beginning, the federal government had requested confirmation from the province of Saskatchewan that indeed, if they engaged a discussion, that Saskatchewan would not utilize the opportunity to make up room — in other words, no clawback clause.

And the Premier had written a letter to the Prime Minister on this, saying if the gas tax money was made available to the province of Saskatchewan, we would enter an agreement that would have a no clawbacks clause. And so it's just been pointed out to me here, and I'll just give you the exact reference. Okay if we're in the appendices — 3.2, 3.2.4:

Saskatchewan agrees that Funds provided by Canada are

to be incremental to Saskatchewan Infrastructure funding available to Municipalities and further agrees that Funds provided by Canada are to be incremental to Infrastructure expenditures by Municipalities from their own sources. Funding for Saskatchewan programs is subject to legislated appropriations.

And then there's a number of other, a number of other subclauses that further clarify that. So to be more specific, the province of Saskatchewan and the municipalities have clearly indicated that this money will be new and not replacing any existing contributions to municipalities, either by the provincial or the municipal levels of government.

Mr. Huyghebaert: — Thank you, Mr. Minister. I wanted to make sure that was the case. My last question is, and I know you've given me some figures from the other day, but I haven't really checked it back in *Hansard* yet. But there might be a difference also and that is the FTE change from the spring budget to now, following the supplementary. And the reason I asked the FTE change because we just found out that that might not correspond to positions as we did from the previous minister who announced 24 positions but only 13 FTE changes.

Hon. Mr. Taylor: — I can clarify that it is four positions, and we will clarify the FTE as it rolls out. If I'm not mistaken I believe at this point we've only filled one of those positions.

Mr. Huyghebaert: — That's all the questions I have, Mr. Minister. And I'd like to in advance thank you and your staff for answering questions here this evening. I know the Chair has some work that he needs to do here now but just in advance I'd like to thank you for your answers.

The Chair: — Thank you, Mr. Minister.

Hon. Mr. Taylor: — Thank you very much. I also want to provide three thank yous. The first one is to the officials from within Government Relations for attending tonight on this late evening, and for the work that they've done in providing the support not only for tonight but for the entire year.

I also want to thank the members of the opposition, in particular the member from Wood River. I appreciate your interest in the programs and the work that's going on on behalf of municipalities and I welcome your questions at any time. Thank you very much for that interest.

And, Mr. Chair, thank you to the committee members for having us here tonight and for expressing an interest in the work we're doing. Thank you, sir.

The Chair: — Thank you, Mr. Minister. The item of business before the committee is the consideration of estimates for the Department of Government Relations, vote 30, which is found on page 13. The first item is Intergovernmental Relations (GR04) for 749,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — The second item is the New Deal for Cities and Communities (GR10) for the amount of 17,729,000. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: —

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2006, the following sums for Government Relations, 18,478,000.

Is that agreed? Ms. Morin, thank you.

Some Hon. Members: — Agreed.

[Vote 30 agreed to.]

The Chair: — That concludes the consideration of estimates for Government Relations. Thank you, Mr. Minister.

Members of the committee have received from the Clerk the copy of the report, the fourth report of the Standing Committee on Intergovernmental Affairs and Infrastructure. And we'll ask Ms. Morin to move the report.

Ms. Morin: — Mr. Chair, I do so move.

The Chair: — Ms. Morin has moved the report. Is this agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. With that that will conclude the business before the committee this evening. I want to thank all the members for their co-operation and I wish you all a good evening. And the committee now stands adjourned.

[The committee adjourned at 21:55.]