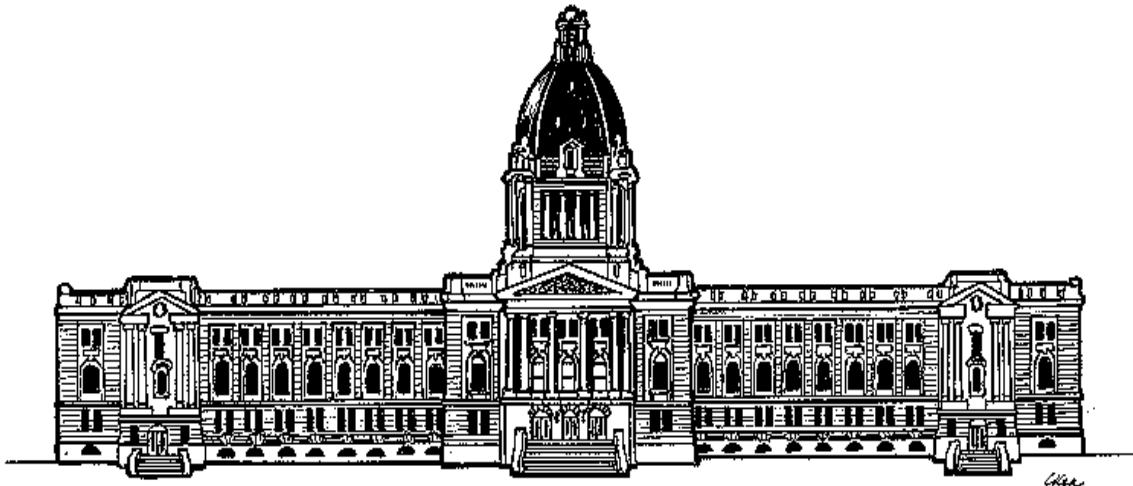




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND INFRASTRUCTURE
2006**

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

Mr. Andy Iwanchuk
Saskatoon Fairview

Hon. Maynard Sonntag
Meadow Lake

Mr. Kim Trew
Regina Coronation Park

[The committee met at 15:00.]

**Bill No. 62 — The Municipal Revenue Sharing
Amendment Act, 2006**

Clause 1

The Chair: — Good afternoon. I will convene the Committee of Intergovernmental Affairs and Infrastructure. I recognize the minister and ask the minister to introduce his officials.

Hon. Mr. Van Mulligen: — Thank you very much, Mr. Chair. Seated beside me on my right is John Edwards. He's the executive director of the policy development branch. And seated beside me on my immediate left is Keith Comstock, a policy manager at that branch. And no, I'm sorry — Keith is seated on my far left. Seated beside me on my immediate left is Doug Morcom, who is the director of grants administration and financial management of the municipal relations branch. And seated behind us is Allan Laird, who's a senior policy analyst also at the policy development branch.

The Chair: — Thank you, Mr. Minister. The item of business before the committee is the consideration of Bill No. 62, The Municipal Revenue Sharing Amendment Act, 2006. Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you, Mr. Chair, Mr. Minister, and welcome to officials. I believe we covered most of this, Mr. Minister, when we were doing estimates. And I know we dealt an awful lot with the revenue sharing. I might just touch on a couple.

You had mentioned about the per capita payment for towns and villages. And in your remarks you had talked also about providing a degree of equalization for municipalities with different fiscal capacities as costs will be adjusted based on assessment. And I think what we addressed in the last get-together was some small towns that come under SUMA [Saskatchewan Urban Municipalities Association] — their ability to do any work because of population on a per capita basis. A town that has 50 people and receiving \$10 per capita, it's very hard to pave a foot of Main Street, for an example.

And I was wondering if the minister has given any consideration to a base funding for small communities such as that, where there's a base level then plus the per capita. And I don't know if we covered that last time or not.

Hon. Mr. Van Mulligen: — Mr. Chair, there are certainly many factors that one can get into about the revenue-sharing formula for so-called urban municipalities, even when they are municipalities of 50 or 75 people. I don't want to get into the details of that.

The question is, should there be some base funding regardless of size of community? There is a base funding of \$1,350 for every community and then whatever grants are received in addition to that. A lot of that will be percentage increases based on what communities might have received in the past.

Should the base funding be increased? That's a good question

and that's certainly something that we're prepared to discuss with SUMA but the issue then quickly becomes, if one is to provide additional funding for very small communities, where will the additional funding come from?

And, you know, I know that people outside of government might say, well you just put in extra money. But the reality is that we have to make choices and we will always have limited amounts of funds that are available for distribution. There will never be enough to satisfy all of the needs and certainly the demands of urban municipalities so the question then becomes, if one takes the policy position that funds should be applied or more funds should go to very small communities, where do the additional funds come from?

Do they come from, you know, very large municipalities and cities that are growing in our province and are demonstrating a need for additional support to support their economic growth and population growth? You know, that's a very good question.

Again we're going to take the opportunity of the coming census to enter into a substantial discussion with the urban municipalities association about what is a fair, just, equitable formula so as to ensure that municipalities are treated equally, recognizing that some municipalities, given their assessment base relative to other municipalities with a similar population, may need additional assistance than can be provided through per capita payments. Again this is a discussion that we're prepared to enter into with the urban municipalities association once the new census figures are received.

Mr. Huyghebaert: — Well I thank the minister for that. I would hope it's looked into. I mean we get into a debate in the House constantly about where the extra dollars come from, and yes there are choices to make. And you know when I look at Navigata costing \$60 million, I'm wondering if the minister agrees that that's a good investment — a \$60 million loss vis-à-vis providing a base funding for some of the small communities and RMs [rural municipality].

We could go through piles of places where there's money that's been directed into other areas not . . . I mean I could go through a list. So it is choices and I just would ask the minister to consider it as base funding. And we can debate where some of these other dollars go to ad infinitum. I mean, when we get into such things as Pangaea and all of those other ones — Navigata, Retx — you know, it goes on and on and on, and that's choices.

It's choices that this government has made, and yet when we ask a question as to where funding or looking at funding and putting some base funding into some of the smaller centres, the minister says well where does the money come from? Well there's places where we direct resources that I could come up with somewhere in the neighbourhood of \$1 billion in the last while where resources have been directed into losing ventures. So all I'd ask the minister is that . . . to look at some sort of a base funding formula that could be used.

Hon. Mr. Van Mulligen: — I appreciate the member's comments. You know we . . . I think the Minister Responsible for the Crown Investments Corporation, were he here, or the Minister for SaskTel would, for every investment that the

member mentions that has not been successful, would be quite prepared to list other investments that have been successful.

And, you know, I know that people who sit on the outside will always only have money-making investments and will never have investments that don't make money. I think the point to be made is that with respect to the Crowns and their investments, you know, over time and on balance, they do make money. But if the member has ways of ensuring that, you know, we don't have any investments that never lose money, we'd certainly be prepared to obtain his advice. Now he'll say that there should never be any investments by the Crowns. Well that's his philosophical belief.

But again, it's my understanding that these investments, on balance, over time, do make money for the Crowns and help to support the provision of good services for the people of Saskatchewan. So I think it's a bit disingenuous to say that there's always extra dollars that are available for whatever priority one might have at any particular moment. The reality is that government just simply does not work that way. You always have to make choices, Mr. Chairman.

Mr. Huyghebaert: — Well I would gladly get into a debate on that because, to start, I'd like the minister to quote the ones that have been successful out of province and I don't think he can. There's maybe one that I've read that's been out of province.

And we're debating the Bill here, not debating the Crown corporations. But you ask a question of where the money would come from and I'm giving you some examples of where the money can come from for something like this because the track record of the investments of out of province and even some within province are not all that great.

And it's again, it's a priority. And if the priority of the government is to spend money out of province on ventures that have lost money vis-à-vis investing it in Saskatchewan, I guess that's a priority of the government and we'll let the people of Saskatchewan decide what's the best in the future.

Hon. Mr. Van Mulligen: — Again, Mr. Chairman, the member raised it. The member started there. He started on a political discussion about investments in matters that are outside of my immediate control.

I am under the impression, as is the government, that over time and on balance the investments that have being made by the Crowns have been investments that have provided a positive return for the people of Saskatchewan.

Having said that, is the government in a position, especially in an area of high-tech or technology and changing technology, to always be in a position to make investments in ventures that make money? I venture to say not, and neither has any other company in Canada or in the technological field or in the telecommunications field that I'm aware of.

Even members themselves when making personal investments, I would venture to say, have sometimes made investments that don't offer a positive return; in fact may have been involved in ventures that have not been very successful. Again if the member is taking the position that government should simply

not make investments that lose money, then the member is saying the government should not make any investments — full stop, period.

Well this then raises another question about what road it is that you want the Crown corporations to go down and whether the member supports an approach which would simply be to shrink SaskTel into insignificance and to shrink SaskTel at a time that other companies are moving into the field that SaskTel occupies here in Saskatchewan, but that SaskTel ought not to be active in other jurisdictions.

I think we're getting a little bit further afield. But again if the member has some notion that in government that there is always additional dollars, that you never have to prioritize, and that whether it's revenue sharing or whether it's health care, if you have a need you simply get the additional dollars — well that's not really reality. And that's not how things work. That's not how things work at my household, it's not the way things work in his household, and it's not the way things work in anyone's household. People always have to prioritize and make the appropriate decisions.

Again with respect to revenue sharing, we're certainly prepared to enter into discussions. We look forward to discussions with our municipal partners about how best to allocate a finite pool of money. But to say that there should always be additional money to support every request and demand from urban municipalities, that's simply not realistic.

The Chair: — Thank you, Mr. Minister. I recognize the Premier.

Hon. Mr. Calvert: — Thank you very much, and to ask leave of the committee to introduce some guests who have joined us in the gallery.

The Chair: — Ask leave of the committee to introduce guests. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I recognize the Premier.

INTRODUCTION OF GUESTS

Hon. Mr. Calvert: — Thank you, Mr. Chair, and thanks to members of the committee. We've been joined this afternoon in the House by 52 students from grades 3, 4, and 5 of Montgomery School in the constituency of Riversdale in the city of Saskatoon. And with the 52 students who have come this afternoon are two of their teachers, Linda Kindrachuk and Neil Pechey, 14 of their parents and two teaching assistants.

I'm hoping that the students . . . I believe they're going to visit the Chamber for a time, then I believe they will be having a tour of the building, and then I'm looking forward to meeting them a little later this afternoon. So I would ask all members who are present to join me in welcoming all of these students from Montgomery School.

Hon. Members: — Hear, hear!

**Bill No. 62 — The Municipal Revenue Sharing
Amendment Act, 2006
(continued)**

Clause 1

The Chair: — Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you, Mr. Chair. Well I just want to comment on the minister's comments because he did say this is going a little bit afield, but he is the one I would suggest that started it because I asked a simple question. And his statement was — and we could check *Hansard* — he said if the member has any idea where this extra money could come from, to let him know. Well I just gave him some ideas of where extra money could come from. Where are you going to get — I believe the statement was — where are you going to get it? Where is the government going to get it? Where is the money going to come from if you have a base level funding for communities?

And so how we got into the debate was by explaining some of the areas where money could in fact come from. It's not a philosophical debate about the Crowns. I just gave you some numbers that where money was lost, and I could continue. I could go through a whole pile of ones.

And if the minister wants to get into that debate, I would welcome it because he says that there's very good ones for every one that isn't. And I'm talking specifically of out-of-province investments, and I would invite the minister to tell me the good ones that have been out of province. He wants to build it back in.

We've always stated that the core Crown, the core work in the province, is great. But when the outside investments come along, and I do have a list of them, that have not been. So what I was doing, because the minister was getting political, I just stated the fact that there was investments that were . . . have lost money for a number of years. And he had asked where this money could come from and I gave him some examples.

Hon. Mr. Van Mulligen: — Mr. Chairman, I don't want to get into a far-flung debate with the member again. I think most people realize, understand, appreciate that when you have a budget, as government does, that you have to set priorities. And clearly our priority in the last number of years has been to increase the funding for municipalities in the province.

We committed prior to the '05-06 year over a period of three years to increase funding by \$10 million a year to revenue sharing. Again this year we've added \$12.2 million to revenue sharing. We certainly acknowledge that revenue sharing had peaked, I believe, at \$120 million in Saskatchewan; that this money was reduced so that by 2001-02 that pool had been reduced to about \$54 million. But the challenges of the 1990s, occasioned by massive debt incurred in the 1980s, are behind us. We're looking to invest again in our municipalities and have done so.

So that what was once a pool of \$120 million and was reduced to about \$54 million is now \$97 million and we look forward . . . And that's money that's guaranteed. That's money that will

be there for municipalities next year. And we look forward to future budgets and additional flexibility to add to the funds that our municipal partners can use to provide good local government in Saskatchewan at mill rates that are affordable for the people of Saskatchewan.

The Chair: — Okay, the committee will consider the Bill. Short title, is this agreed?

Some Hon. Members: — Agreed.

The Chair: — Clause 1, short title.

[Clause 1 agreed to.]

[Clauses 2 to 9 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 62, An Act to amend The Municipal Revenue Sharing Act, 2006. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I'll invite the member to move that the Bill be reported without amendment.

Mr. Trew: — Mr. Chairman, I move that this Bill be reported without amendment.

The Chair: — Mr. Trew has moved the Bill be reported without amendment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**Bill No. 45 — The Local Government Election
Amendment Act, 2006**

Clause 1

The Chair: — The next item up for the committee is the consideration of Bill No. 45, The Local Government Election Amendment Act, 2006. I'll invite the minister to introduce his officials.

Hon. Mr. Van Mulligen: — Mr. Chair, we have the same officials that were introduced previously, and except we've been joined at the table by Mr. Allan Laird, who is a senior policy analyst in our policy development branch.

The Chair: — Thank you, Mr. Minister. Do you have any opening statements you wish to make?

Hon. Mr. Van Mulligen: — Mr. Chairman, the Bill is a Bill that results from input from a variety of sources and reflects consultation with our municipal partners and local governments.

The purpose is to clarify and amend certain provisions pertaining to election procedures, provide greater consistency between the election provisions for urban municipalities, school

divisions, and those for rural municipalities, and make some amendments of a housekeeping nature to follow up on incorporation of the rural election procedures from The Rural Municipality Act, 1989 into The Local Government Election Act that has already occurred.

The Chair: — Thank you. Mr. Huyghebaert.

Mr. Huyghebaert: — Yes. This is basically a housekeeping type of a Bill. It does make some changes and I think changes that may be beneficial. I guess my first question is, had someone requested this change or where did the drive for this Bill come from?

Hon. Mr. Van Mulligen: — Mr. Chairman, every time that we have a local government election in Saskatchewan, we consult with local officials to obtain their sense of how that election went and whether there are matters that they can identify that need to be improved on.

And the issues that we have before us are those that have been identified by those with an involvement in local government election, including our own municipal advisers in the municipal relations branch who have — how shall I put it — day-to-day contact with local governments in their conduct of local government elections and other matters obviously.

Mr. Huyghebaert: — You talked about consulting with agencies. I think you mentioned SUMA. I would assume SARM [Saskatchewan Association of Rural Municipalities] has been consulted with. Were the school boards also consulted with?

Hon. Mr. Van Mulligen: — The groups and organizations that we consulted with include the Department of Learning, Saskatchewan Association of City Clerks, the Saskatchewan Urban Municipalities Association, Saskatchewan Association of Rural Municipalities, the Urban Municipal Administrators' Association of Saskatchewan, the Rural Municipal Administrators' Association of Saskatchewan, Saskatchewan School Boards Association, the Saskatchewan association of school board officials, the Saskatchewan city managers/commissioners, and the, again as I mentioned, the advisory services unit of the Department of Government Relations.

Those are the organizations that we have consulted. Those are in the main the organizations that would have had an active role to play or represent those who have an active role to play in local government elections.

Mr. Huyghebaert: — Thank you, Mr. Minister. I'm wondering with the voting the same day — and I think that's probably beneficial to an awful lot — was there any concern raised about confusion on voting day with voting on two separate entities? Was that ever an issue that was raised by any of the people that were consulted?

Hon. Mr. Van Mulligen: — No, Mr. Chair, that hasn't been an issue. In fact it's the reverse, that people have expressed concerns about having to vote in two separate elections within the course of a week or so, and much preferring the option to be able to do all their voting in local governments at one time, in

one place.

The Chair: — That's it? Okay. Seeing no further questions, the committee will now consider the Bill.

Short title, clause 1, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 15 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 45, An Act to amend The Local Government Election Act. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I'll invite a member to move that the Bill be reported without amendment.

Mr. Trew: — Mr. Chair, I move that this Bill be reported without amendment.

The Chair: — Mr. Trew has moved that the Bill be reported without amendment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 52 — The Meewasin Valley Authority Amendment Act, 2006

Clause 1

The Chair: — The business before the committee is the consideration of Bill No. 52, The Meewasin Valley Authority Amendment Act, 2006. We'll have a switch of ministers and officials for this, so we'll just take a moment while all members change.

Okay, I welcome the minister and his officials. The item of business before the committee is the consideration of Bill No. 52, The Meewasin Valley Authority Amendment Act, 2006. I invite the minister to introduce his officials.

Hon. Mr. Forbes: — Thank you very much, Mr. Chair. To my right is Ken Lozinsky. He's the assistant executive director, parks branch, for Saskatchewan Environment. And to my left is John Gerstmar, resource planning manager from the Meewasin Valley Authority in Saskatoon. I thought it would be best for him to join us as well.

The Chair: — Thank you, Mr. Minister. Do you have any opening remarks? We'll entertain them now.

Hon. Mr. Forbes: — I'd think that I'd like to do a summary, an introduction of the Meewasin Valley Authority and the kind of things they've done and how important Meewasin Valley and the whole urban parks system are to the province of

Saskatchewan. Meewasin Valley Authority has added greatly to the quality of life in Saskatoon and enjoys broad support from the people of Saskatoon.

The Meewasin Valley Authority Act has not been updated since 1998. These amendments are intended to better assist the Meewasin Valley Authority in fulfilling its mandate to protect the environment and heritage resources of the South Saskatchewan River Valley, within and adjacent to the city of Saskatoon.

With the support of the city of Saskatoon, the University of Saskatchewan, the Government of Saskatchewan, Meewasin undertakes programs and projects in river valley education, development, and conservation. By creating opportunities for public awareness and enjoyment, Meewasin strives to increase understanding and to ensure a vibrant and healthy river valley. The park offers year-round recreation and sightseeing opportunities for everyone, from cycling to walking to cross-country skiing and picnicking.

Now currently the park exempts any provincial Crown lands from the MVA [Meewasin Valley Authority] if they were occupied or in use at the time of coming into force of the Act. The amendments before us will allow most of that land to become subject to that Act. Also lands owned by the Meewasin Valley Authority will become subject to the Act. This addition of approximately 2 kilometres of riverbank land means an additional level of protection along the shoreline of the South Saskatchewan River.

Now protection of natural and heritage resources in the valley is one of Meewasin's primary goals. With these amendments the government is reconfirming its commitment to the Meewasin Valley Authority and enabling it to meet its goals more thoroughly. So thank you very much.

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

Mr. Hart: — Thank you, Mr. Chair. Minister, I guess I'd like to open by thanking you for the consultation that you arranged with the maps and so on. That certainly answered most of our questions. I find that process very helpful. If we can get as much information prior to dealing with the Bill as possible, it certainly can speed up the process here, the legislative process.

Just a couple of quick, short questions. Primarily what the Bill is doing is bringing Crown lands in, putting them under the authority of the Meewasin Valley Authority or giving them jurisdiction for future development or I suppose . . . or at least future development would need the approval of the authority. Is that basically the concept of the Bill?

Hon. Mr. Forbes: — Now Ken can correct me. But really essentially what I see the amendments doing — there's housekeeping parts because it hasn't been amended for a while — it's bringing land that's owned by the MVA into what is the conservation area. That's described as part of the Act. And so those lands need to be described in the Act and so we're bringing that in. And we're bringing in most of the other Crown land into it at this point.

And the other really important thing, I think it's kind of

exciting, is because the city of Saskatoon is celebrating its centennial. This is a wonderful thing that we can . . . you know, the MVA is looking forward to saying that our Act is updated. And we know that, you know, that the MVA is just prized by the people in Saskatoon. So a little housekeeping to be done in order to get ready for the centennial.

Mr. Hart: — Thank you. Just a couple of questions surrounding the Crown land. I believe you had indicated that the Crown land is owned by Sask Ag and Food and I guess just for the public record, by this change how will the lessees of the Crown land be affected?

Hon. Mr. Forbes: — At this point none of it is being leased so it's unoccupied Crown land. And you're right, it's Ag. And there's some Highways and there's also some SaskWater I think, a little bit. So those are the three, yes.

Mr. Hart: — Okay. No, that's fine. Thanks for clarifying that. I guess you probably told us that but it was a few days ago when we met.

Mr. Chair, we certainly haven't got any reservations or concerns about this Bill. We recognize the great work that the Meewasin Valley Authority does in Saskatoon. We see evidence of that where . . . I personally see that every time I'm in Saskatoon, the beautiful river valley and the beautiful drive and should really take some time to get out and walk along the valley sometime. But it seems our lives are quite rushed. So I really have no further questions, Mr. Chair, and if we're ready to deal with the Bill I would suggest we move it on.

The Chair: — Thank you. The item for business is the consideration of the amendment Act of the Meewasin Valley Authority. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 19 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 52, the Act to amend The Meewasin Valley Authority Act. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I'll invite a member to move the Bill without amendment.

Mr. Trew: — Mr. Chairman, I move that the committee report this Bill without amendment.

The Chair: — Mr. Trew has moved that the committee report the Bill without amendment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

The next item of business before the committee is the

consideration of Bill No. 55, The Reclaimed Industrial Sites Act, the Hon. Mr. Cline. We'll take a few moments while the officials change and prepare themselves.

Bill No. 55 — The Reclaimed Industrial Sites Act

Clause 1

The Chair: — Thank you, Mr. Minister. The item of business before the committee is the consideration of Bill No. 55, The Reclaimed Industrial Sites Act, the Hon. Mr. Cline. Mr. Cline, if you would introduce the officials please.

Hon. Mr. Cline: — Yes, thank you, Mr. Chair, and good afternoon to you and to members of your committee. With me today sitting to my right is Mr. Glen Veikle, who is the associate deputy minister of the Department of Industry and Resources for which I'm responsible. And to my left is Mr. Dave Phillips. He is the assistant deputy minister for Saskatchewan Environment, for which Mr. Nilson is responsible. And beside him is Mr. Richard Turkheim, the executive director for Northern Affairs, for which of course Ms. Beatty is responsible.

And behind us we have Jay Fredericks, who is a director from the Department of Industry and Resources, and also Keith Cunningham, who is the senior analyst with Industry and Resources. And if you would like, Mr. Chair, I could give a brief synopsis of the legislation before the committee.

The Chair: — If you would please, Mr. Minister.

Hon. Mr. Cline: — Okay. This is called The Reclaimed Industrial Sites Act. And as the name implies, it deals with sites that are used for industries, specifically mining, and that cease to be used. One of the problems that people will be aware of that we've had in the past has been mines such as the Gunnar and Lorado uranium mines in northern Saskatchewan, where the mines are mined out so they're no longer used as mines, and they're shut down but no one has cleaned up the sites and there are contaminants in the environment which threaten the environment.

Now I should explain that that no longer would be something that would happen. Because today when we approve a mine site, we demand that the company proposing to mine the area present a plan to government which is monitored by the Department of the Environment and others, to show us how they are going to reclaim the site once the mining activity is over.

And because the goal of modern legislation and regulations is to ensure that the environment is restored to the state that it was in before the mining activity occurred, that requires not only a plan to take care of the site at the time the mine ceases to operate, but also a plan to monitor and maintain the clean environment in perpetuity — in other words forever.

And of course the difficulty is that when the obligations last forever to keep the environment in the state that we want it to be, it's quite possible that a corporation that mined the site may cease to exist. And yet the need to continually monitor for hundreds of years and really for longer than that — forever —

is still there.

So what this Act does is to create a registry whereby we take the land back into the control of the Crown. It is registered. The company pays a certain amount of money into a fund and that fund is designed to provide the funds that will be necessary in the future to do the things that need to be done. And also there will be a separate fund to deal with any unforeseen events that may happen in the future that maybe need to be cleaned up; there will be a fund to take care of that as well.

I should say that in addition to these funds that will take care of the land, any obligations that the company may have, the company will still continue to have if there are unforeseen events that happen. It's just that if the company ceases to exist, there also would be the parallel route of this legislation that would ensure that the future obligations that should be met, will be met.

And finally, Mr. Chair, I would just note that this legislation has been conceived and drafted with the full support of the community, both the business community and the environmental community. And it also is something that is attracting quite a bit of attention in other parts of the world where they view this as leading-edge legislation that Saskatchewan is taking to protect the environment. Thank you.

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

Mr. Stewart: — Thank you, Mr. Chair, to the minister. Thank you for that, Mr. Minister. Could you tell me, can the minister tell me how the consultation process was carried out and who was consulted with? I know that the executive director of the Saskatchewan Mining Association has assured us that they were properly consulted with, but I'm wondering about individual members of their organization, other mining companies, and other entities, whether involved in the mining industry or not.

Hon. Mr. Cline: — Yes, I'd be happy to answer that, Mr. Chair. Officials from the departments of Environment, Industry and Resources, and Northern Affairs undertook public and stakeholder consultations. They held meetings with northern Saskatchewan environmental quality committee representatives in La Ronge in mid-September and with various stakeholders that would obviously include the business community. Public meetings in late September and early October in Uranium City, Black Lake, Fond-du-Lac, La Ronge, Buffalo Narrows, Prince Albert, and Saskatoon.

Discussions were held both with the public and with stakeholders on the initiative and it's reported to me that they were all positive. Basically the public and the stakeholders and the environmental quality committee were in support of the provisions of the legislation.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Chair, to the minister, is this Bill really specific to the mining industry or does it include other industrial sites as well?

Hon. Mr. Cline: — It really is designed to be directed toward mining and milling activities on Crown land.

Mr. Stewart: — I see. So thank you, Mr. Minister. So, Mr.

Chair, to the minister, then we can be sure that it won't affect other industrial sites on Crown land in any way, shape, or form?

Hon. Mr. Cline: — No, I wouldn't say that. It's conceived to deal with the mining and milling activities on Crown land but it certainly could be extended to other activities. Really I would think that if there was any activity whereby land was being returned to the Crown after the activity ceased and whereby the environment needed to be protected in perpetuity, there's no reason why the Act through regulation could not be extended to such activities.

Mr. Stewart: — Thank you, Mr. Minister. That was my reading of the Act as well. I thought in your preamble that you mentioned that it was a specific to mining, I thought, but thank you for that explanation.

Mr. Chair, to the minister, can the minister explain again to me the two separate funds? I think if I understand this correctly, one is a fund to look after more or less routine maintenance operations in perpetuity and the other is a fund that would provide for emergent situations that may come up. Do I have that figured out properly?

Hon. Mr. Cline: — Yes, Mr. Chair, to Mr. Stewart, he does have that correctly. And basically there are two funds. One is the Institutional Control Monitoring and Maintenance Fund. I'll refer to that maybe as the maintenance fund, for simplicity. The other is the Institutional Control Unforeseen Events Fund. We could call that the unforeseen events fund.

And the maintenance fund would be designed for what Mr. Stewart describes as more routine events such as, well one example that was given to me is if there is a mine shaft that is closed in with concrete, that concrete will have to be checked periodically to make sure that it's secure and perhaps after a certain number of years, replaced for some reason. So the fund would be set up to take care of that kind of activity. There would also be water monitoring, I think, in areas where there were tailings ponds for example that had to be done in perpetuity.

And what will happen is, when the mine shuts down, the estimated cost of doing that into the future will be arrived at and a present day dollar value, which if invested would pay for those activities, will be arrived at and that amount of money would have to be paid by the operator of the mine and/or mill into the maintenance fund.

And in addition to that, because there may be unforeseen events that arise from these activities that may have to be repaired, a certain percentage of the amount that each company pays into the maintenance fund will also be paid into the unforeseen events fund. And that will then give us a fund to deal with unforeseen events also in perpetuity.

Now the amount of that percentage, that payment, will be prescribed by regulation. So as a concept we know that a certain percentage will be paid by each company, but we don't know today what the percentage will be. And that will be prescribed in the regulations, and of course we'll be consulting with industry about that. And it may change from time to time as government moves forward and industry moves forward for

many decades to come.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Chair, to the minister, I take it then, to guard against companies being amalgamated and going out of business that any money paid into these funds would be an upfront payment before the land is returned to the Crown. Is that correct?

Hon. Mr. Cline: — That is correct, Mr. Chair.

Mr. Stewart: — Thank you, Mr. Minister. And Mr. Chair, to the minister, and that leads into my main question about this whole Bill is, how do you determine an appropriate upfront payment for maintenance of a site in perpetuity? Has sufficient work been done on this? It sounds like a mind-boggling problem.

Hon. Mr. Cline: — Yes. It actually I think sounds more difficult than it really is for this reason. Before the land goes into the registry, there is a period of monitoring that will take place which will enable the officials to get a pretty good idea of what the monitoring entails and what it costs in terms of transportation, labour, and so on. And there will also be a specific prescription of the various things that need to be done every so many years and so on.

And I'm told that actually the officials think that this will be fairly straightforward, that from the monitoring that is done they can estimate the annual cost. And there are ways that are reasonably straightforward whereby you can calculate a present value cost for something you have to pay into the future. Now that's for the monitoring.

In terms of the activities, what they will do is they will say, well here is something that needs to be done every 10 years. The cost of this today is X and you would need, you know, so much money today invested which would enable you in 10 years and 20 years to do that. And I can tell the member, Mr. Chair, just from my own past experience as a litigator in legal cases, that there are capitalization formulae that can be used to estimate this kind of thing and they do it all the time in various activities.

So they do think that they can identify what needs to be done in the future. And they believe that it will not be complicated to fairly accurately estimate an amount of money which if invested today would allow them to have a fund sufficient to ensure that they could do the monitoring plus do the specific activities, replacements, repairs that needed to be done.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Chair to the Minister, is industry aware of the formula that will be used and do they support that as well? In other words I guess has there been sufficient work done with industry so that they know what they're buying into here?

Hon. Mr. Cline: — Yes. I'm advised they're quite aware of the framework that I've just described and they are supportive of the legislation. I think one reason is, Mr. Chair, to Mr. Stewart, because one thing that industry really values is certainty. And this gives them the ability to put the property into the registry and to arrive at a definite sum of money which they can pay, which then, you know, they can record on their books that they've met their obligation subject to anything unforeseen that

may happen.

And I believe that in our society, which is becoming increasingly oriented toward lawsuits, environmental liability, and so on, one thing that corporations worry about are future contingent liabilities — in other words, environmental wrongs that they may do today or have done in the past, whereby somebody will sue them in the future, or governments will penalize them some way in the future. And I think this gives them an opportunity to really have some definition put around what their obligations are. And of course the other . . . So I think they are comfortable with the approach and they're supportive of the legislation for that reason.

The other thing I would say is that in my experience — and I'm sure it's shared by other members — when you're dealing with, you know, modern-day, sophisticated corporations and the people that run them, they tend to have a fairly broad view. They want the operation to be economically sustainable; in other words profitable. They want it to be socially sustainable; in other words that it has a social mandate from the community to operate — that the community supports what they're doing, their employment activities, employment equity, and so on. And it's very important to them that they be environmentally sustainable.

So they want the principle of taking care of the environment to be enunciated. They're concerned about it themselves, just as citizens, because they're good citizens themselves invariably. And they want the cost of that, taking care of the environment, to be defined so that they know where they stand.

So all in all it's not a concept that modern corporate executives or modern corporations are going to have any problem with. It's something that they would welcome. And I'm told that people around the world are looking at this concept, watching what Saskatchewan is doing. And I think it's possible that . . . I'm not sure about this right now, but that we may be invited to speak to the world nuclear conference in London, England in September about this because they're always interested in what we're doing in uranium mining — this is one part of it — in Saskatchewan, since we're the world leader in that area.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Chair, to the minister, what body or group will actually make the decisions regarding the two funds, say you know how the money is to be spent, how the formula might be changed in the future to pay into them and so on?

Hon. Mr. Cline: — The Department of Industry and Resources officials will be responsible to administer the funds. That will be affected by the Department of the Environment because they will determine the standards that have to be adhered to and they will have to approve the decommissioning plan. So Environment will sort of set the rules and then we will actually, at Industry and Resources, collect the money and deposit the money into the fund, and also administer the activities to comply with the requirements that the Department of the Environment will set down.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Chair, to the minister, will there be industry representatives involved in the decision-making process as well?

Hon. Mr. Cline: — No, this really is an activity that will be administered by government through the Department of Industry and Resources with the rules being set . . . the requirements by the Department of the Environment. But no, this will not be an industry run fund and they won't be participating as, you know, jointly with government or anything like that. It's conceived to be a fund that is administered by government.

Mr. Stewart: — Have provisions been made for the proper investing of the monies that will come into these funds since it appears it could be substantial amounts of it?

Hon. Mr. Cline: — Yes, Mr. Chair, the investments of money will be undertaken in safe, secure funds based on the terms and restrictions for pension fund investments that are made by the province. So the concept is, as the member knows, Mr. Chair, we already invest a considerable amount of money through the Public Employees Benefits Agency. And of course I'm happy to report that it has a very good track record, better than the private sector I think in terms of safeguarding funds. And the concept here is that these funds will be invested in the same manner.

And there are regulatory lists of the sorts of things that this kind of money can be invested in. And basically I think it can be described as, you know, balanced and cautious, if I can put it that way, not highly speculative. But we would follow the same model that the Public Employees Benefits Agency would follow.

Mr. Stewart: — Thank you, Mr. Minister. That's appropriate, I believe. Will these funds be open to the scrutiny of the members of this legislature on at least an annual basis?

Hon. Mr. Cline: — Mr. Chair, I would refer the committee to section 13 which says:

The Provincial Auditor or any other auditor or firm of auditors appointed by the Lieutenant Governor in Council [in other words cabinet] shall audit the accounts and transactions of the Institutional Control Monitoring and Maintenance Fund and the Institutional Control Unforeseen Events Fund:

- (a) annually; and
- (b) at any other time that . . . may . . . [be required].

So there would be an annual audit. There has to be in each fiscal year, according to section 14, a report filed on the funds for the preceding year and a financial statement showing the business of each fund for the preceding year.

And those statements would certainly be available to members of the legislature on an annual basis. And of course, in addition to that, the Provincial Auditor would have jurisdiction to look into the funds, whether or not he was the auditor or whether or not another auditor was appointed. And these funds could certainly be reviewed by the Legislative Assembly, I guess, either in a committee or through the Public Accounts Committee as well.

So the usual forms of audit and reporting are prescribed in the legislation. And certainly, in answer to the question, these documents would have to be filed to be scrutinized by members of the legislature.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Chair, to the minister, is it the intention of the minister to have this Bill proclaimed immediately upon passage?

Hon. Mr. Cline: — No. We are aiming for January of '07 so that we could get the regulations prepared in the meantime. And I would anticipate that we would be consulting with industry with respect to the regulations.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Chair, to the minister, how will this Act affect mine sites that already in the process of being decommissioned? I'm thinking of Cluff Lake.

Hon. Mr. Cline: — Mr. Chair, to the member, mines that are in the process of being decommissioned would ultimately be brought within the purview of this legislation. We would want to have them registered, and so they would fall within the legislation.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Chair, to the minister, is there any way that this Bill includes, in any fashion, mine sites that have been decommissioned for some time? I'm thinking the Uranium City sites, Gunnar and Eldorado sites and so on.

Hon. Mr. Cline: — In the case of mines like Gunnar and Lorado, I'm advised that they will be cleaned up by government funds — federal and provincial — and they will be brought into the registry. But in their case, there are no owners or former owners available to pay into the funds, so those obligations will have to be met by government.

Mr. Stewart: — Will this, Mr. Chair to the minister, will this Act have any effect on industrial sites not on Crown land, on private property?

Hon. Mr. Cline: — The answer to that is no. This applies to Crown land. And I should correct an answer I just gave. I'm advised that — and I knew this but I'd forgotten it — that Lorado is owned by EnCana Corporation, and so in the case of Lorado as a matter of fact EnCana Corporation will be coming up with money to pay for that.

But in answer to the question, the answer is still correct in other cases, that there will be cases on Crown land where the government will have to come up with the funds to meet the obligations.

Mr. Stewart: — Thank you, Mr. Minister. Mr. Chair, to the minister: I take it that the Department of Industry and Resources will cover the costs of administration of this program, or will that also be covered by the participating private sector contributors? And in any event, what is the cost of administration estimated at annually?

Hon. Mr. Cline: — Yes, the initial cost for establishing the registry is estimated at \$60,000 and would be the responsibility of the Department of Industry and Resources. And thereafter

the annual operating costs will be part of what the companies pay in to the maintenance fund. And so the cost of the fund will be paid out of the fund itself, that is the cost of the administration of the fund will be paid out of the fund.

And I don't have an amount for what the cost of the administration will be, but I'm advised that it's not expected to be all that much. It isn't expected that the administrative costs will be that high.

The work that is done now in terms of defining what it is needs to be done, is already something that is done by the Department of the Environment. So it isn't anything new in that sense. It's more or less defined what companies have to do.

What this does really is add the registry and then the funds so that somebody has to administer the money to make sure that these activities can be paid for. But it isn't thought that the cost of doing that should be all that high.

Mr. Stewart: — Thank you, Mr. Minister. And finally, Mr. Chair, to the minister, how many additional government employees do you estimate will be required to administer the programs under this Act?

Hon. Mr. Cline: — It's defined as one-half of a full-time equivalent. So it's thought that it would be . . . It would take an employee in the department half of their time, one person, to do the work that would be required. Of course that might be, you know, five people working a tenth of their time just depending on who you need. But basically you wouldn't be even hiring an additional person.

Mr. Stewart: — Thank you, Mr. Minister, and thank you to the officials that have helped us out today. I appreciate that very much. I have nothing further and I have only my old reservations about this Bill. The mining association is comfortable with it and so I'm prepared to let it go.

The Chair: — Thank you. Seeing no further questions, the committee will now consider the Bill. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 19 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 55, An Act respecting the Monitoring and Maintenance of Industrial Sites after Reclamation.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I'll invite a member to move that the Bill be reported without amendment.

Mr. Trew: — Mr. Chairman, I move that the committee report this Bill without amendment.

The Chair: — Mr. Trew has moved that the committee report the Bill without amendment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. The next item of business before the committee is the consideration of Bill No. 48, The Parks Amendment Act, 2006. We'll just take a moment while the officials and the ministers change.

Bill No. 48 — The Parks Amendment Act, 2006

Clause 1

The Chair: — Thank you, committee members. The next item of business before the committee is the consideration of Bill No. 48, The Parks Amendment Act, 2006. I recognize the minister and ask the minister to introduce his officials.

Hon. Mr. Nilson: — Thank you and good afternoon. I'm pleased to have with me this afternoon Dave Phillips, who's the ADM [assistant deputy minister] for Saskatchewan Environment, and Syd Barber, who is the director of the provincial parks system.

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

Hon. Mr. Nilson: — I'm pleased to be here this afternoon to present the information around The Parks Amendment Act, 2006. We have about 2,161 cottage leases that form an integral part of the Saskatchewan provincial parks system. And the department's had a long history and traditional good relationships with cottage owners and their association.

Over the last 18 months the government has been in discussions with the provincial park cabin owners association to resolve issues around the structure of a new cottage fee. And the working group has had many opportunities to express their thoughts and views during the discussions and the cottagers' representatives delivered their report to the department in March 2006.

A key recommendation from the cottagers was to set a new framework for their fees, which was comprised of two components: a service fee to cover the direct costs that the government incurs in providing services to the cottagers in the parks, and a land lease fee or rent for the use of the Crown land that each cottager occupies.

And just as we start out here, I'd like to lay out the kinds of questions that we have been grappling with as we establish these fees for the provincial park cottagers. First question is, is what an individual provincial park cottager pays reasonable relative to what cottagers pay in resort villages or municipalities outside the parks?

The second issue is, is what a individual park cottager pays reasonable relative to the neighbours that they have inside their own subdivision in that particular park?

Third question is, is what an individual park cottager pays reasonable in relation to the services and other benefits they

receive from the park?

And the fourth issue is, is the Crown receiving a reasonable rent and full cost recovery for the services provided to individual cottagers?

We have many different parks across the province where the cottages are located, and so the individual fees will be calculated after the regulations establishing the fees are in place after we pass this Act. The enabling legislation amendments that we are considering in the committee today will give the authority for the regulations.

The normal time of the year when the fees are set out is in June. So this will allow us to be on schedule. So it's in that context that we are working at amending the legislation to give us the authority to then work at the overall fee structure.

So those will be my opening remarks, and I look forward to the questions.

The Chair: — Okay. Thank you, Mr. Minister. Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair. Minister, you, in your opening remarks, you answered a number of my opening questions, but there is one. You indicated you received the cottage committee's final report and recommendations in March. Did you or your officials confer with them after you received their final report and prior to drafting the legislation?

Hon. Mr. Nilson: — I think we received their report on March 10 and we told them when we were going to go forward with the notice of the Bill, but we haven't taken the actual Bill or the discussion since then.

Mr. Hart: — Minister, when you're looking at the whole area of cottage lease fees, or annual fees as it's called in the Bill, and particularly for budgetary purposes, do you have a target revenue that you look at as far as deriving so many dollars through these annual fees?

Hon. Mr. Nilson: — I think the answer to that is yes. For budgeting purposes it's very helpful for the whole park system to know what the revenues are. The amounts suggested by the cottagers and in consultation with the department is \$2.1 million for this year.

Mr. Hart: — Now I wonder could you break that down. The Bill sets out the annual fee. And there's two parts to it, the service fee and the land lease fee. Could you break down that 2.1 million as to how much you propose to collect in each one of these categories?

Hon. Mr. Nilson: — I think that would be quite difficult, and let me explain why. This whole issue can be asked, like you are doing, in a very narrow way just as it relates to the particular cottages. Now I know that the members here represent some fairly broad areas where you have provincial park cottage areas, you have resort villages, and you have RMs that have some recreational sites. And so one of the challenges that we've had in this whole issue is to get the balance between what might be paid by a person living in a provincial park subdivision versus what they might pay at a resort village versus what they might

pay just in an RM. So that's one particular issue.

Then I think the question that's been asked here specifically relates to, how do you sort out in each park? And then across the board, how much will come from the service fee side and how much will come from the land lease side?

Well what happens is that it's quite hard to answer that until we actually go through the whole process of sorting out how we're going to send the bills, which we're hoping to have done by the middle of June following what the legislation says here. And the reason for that is that the service fees will depend on each park, because not every park has exactly the same services. So the service fee side might be different in one provincial park residential area than another provincial park residential area because of the types of services there. So that's one variation on one side of it.

Then when you have the land lease issues, different lots within a subdivision are more desirable. And there is some recognition of that in this process and discussion that's gone on. And so the question then becomes how that is allocated.

So long answer to your quite simple question is that we can't say that with great clarity at this point what the breakdown will be between those two items. But our overall goal is to hit a revenue figure of \$2.1 million.

Mr. Hart: — Well one of the questions that I've had posed to me, and I'm asking on behalf of those individuals who have asked me the question, is will cottage owners be required to buy annual or gate passes, a park entrance fee? I understand that was part of the discussions that the group had with your officials. And they don't at this point in time have an answer to that.

Hon. Mr. Nilson: — I'm pleased to answer that question. The plan is that they will all get park permit fees, and it will be included as part of their overall . . . Well I mean it'll be included in the total amount. And so the plan is that they will all be mailed park permits — the residents — in the next week so that they have them in time for the May long weekend. And so they will be included in the overall calculation of the \$2.1 million revenue.

And so it's once again a hard one to answer specifically. But I think the practical point is, they won't have to put any cash out for a park permit because I think . . . I mean part of the rationale is that most of these people are very strong supporters of the parks and are contributors both in how they develop their own communities but also in how they give advice. And they come and volunteer and do things or sometimes where they contribute time and effort and money for specific projects that help the park system in general.

Mr. Hart: — Well I'm sure they'll be happy to hear . . . Well I don't know whether they're happy to hear that they're going to be getting the park passes free as such but then having to pay for it as part of their land lease, their annual fee. But I mean they can make those determinations on their own I guess when they understand how the annual fee will be calculated and at what level it will be set at.

I think what I would like to do is deal with the two components

of the annual fee and how you go about calculating them and what factors become part of the calculations of the service fee. It seems to me there are components of a service fee that cottagers will directly benefit from and then there are other fees, service fees, that are part of the overall operation of the park.

Take for instance the, you know, the gate entrance building and the park headquarter building, those kind of permanent structures, you know, and the services to those structures, but that don't really pertain to the cottage area of the park and the cottagers. Like how are you going to . . . What items are you going to be included in the service fee calculation and I guess, what percentage of the total cost of each one of those items will be allocated to the cottagers' service fee?

Hon. Mr. Nilson: — Well once again you've asked a very simple question that has a complicated answer. But I think I can answer it in a way that explains what we're going to do. And basically the cottage owners associations in each of the parks will be sitting down and working with the parks officials there to look at the basket of services that are provided in a particular park.

So some may have garbage collection, some may not. Some may have some, you know, advantage on having a place where they can put boats into the water or things like that. Some may have other paved roads and things that require some kind of maintenance that's a little bit different than another park.

The overall plan is that that kind of work would be done together. And I know what's happened over the last 18 months is that the parks managers have been very open about, well this is what it costs to run this particular park and, you know, what looks reasonable based on whether you're a permanent resident there versus the campers that come on a daily or a weekly basis versus just the day visitors and how should we try to allocate that out.

So I think what the plan is that those conversations and discussions are going to continue. And people have a fairly good sense of the costs and the concerns that are, that they would pay for. And I mean I can try to maybe go to a very specific example, but I think you get the gist of what's happening. And that it really has been a sharing of information at a local level that's made quite a difference in allowing us to come forward with a proposal that includes us assessing a service fee based on the local park.

Mr. Hart: — So if I'm understanding you correctly, Minister, what you're saying is that there'll be discussions between representatives of the cottage association within each park with park management. And they'll sit down and they'll decide amongst themselves as to what portion of garbage collection, as an example, is attributable . . . the cost of garbage collection is attributable to the cottagers, and you know road maintenance, all those sorts of things. And this will happen on a park-by-park basis?

But it just seems to me there's . . . It seems to me that a lot of discussion needs to take place before, you know. And it seems to me there's a lot of room for disagreement, you know, on whether it's 50, 50 per cent of this particular item or should it be only 43 per cent, or you know, those sorts of discussions. It

just seems to me like it's pretty broad and open-ended type of a process that we have here. Like did your advisory group, the committee that you set up, did they provide some guidance in this area as to perhaps a percentage of certain costs or 100 per cent of costs? Or I mean, what discussions took place with the advisory group?

Hon. Mr. Nilson: — Well I'm once again happy to answer that question and explain. I think one of the real values of the last year and a half has been the fact that there's been a lot of discussion about how these things work. And basically the agreement is for the cottagers, that they would be paying a share of the services that affect their cottage area. They wouldn't be paying the services that are the commons areas that everybody has access to. So there is a recognition of that.

But just to give you a bit of an idea of the various costs that have specifically been discussed I think pretty well at every area, and it has been discussed by the overall group that did present the report. But we have, you know, garbage collection and disposal, the landfill management that might be there; lagoon servicing and sewer systems; street lighting; snow removal; fire protection; park security, so the policing costs; water supply system; the subdivision vegetation management, cutting all the ditches and trees and things like that; and the cottage subdivision buildings management — some of them actually would have some buildings that are in the cottage subdivision; the subdivision road maintenance, which I mentioned before; and then there's a miscellaneous category.

So those are the categories that people have been working at. And my sense is, and the advice that I've been getting is that in every park there have been enough discussions that people are close to having sort of a final sense of how that's all going to work, and that they understand it. And so that part I think will work.

Mr. Hart: — So there have been ongoing discussions within each park with the association representatives and so on? And you feel that you're not going to . . . It seems, you know, we're getting pretty late in the process here and if this is a new, you know, a new concept that's being introduced . . . but you feel quite confident that everything can be hammered out and decided upon in a timely fashion?

Hon. Mr. Nilson: — I appreciate your question, because clearly two years ago this was the big issue. Like what do we get for what we pay? And part of what's happened over the last 18 months specifically has been a very transparent process to say, on all these topics that I mentioned earlier, these are the kind of costs that we have which we see are related to the subdivision, the cottage subdivision that you live in. And people have had a chance to meet and talk and discuss and understand how that works.

And so I think all the officials and I am fairly confident. It also reflects what came from the cottage owners group in their report. So I think that this process has been good to have people understand how costs are attributed. And it's not dissimilar, as you can understand, to somebody living in a town or a city looking at and trying to figure out how the local municipality spends the money that is collected in taxes across the board.

Mr. Hart: — In the discussions that are currently under way with the various groups within the parks, how are you handling the differences between permanent residents and seasonal residents? Is there any differentiation as far as costs of the direct services that those two groups would receive?

Hon. Mr. Nilson: — I think that the recommendation that came from the committee of the park cottager associations was that there would be a 35 per cent premium if you were a permanent resident, so in other words you were there all year around. And that's what everybody's working with and it seems to be a relatively logical conclusion.

I think the sense also is that in the case of every park subdivision they really do have a final agreement on what these costs are and so there won't be any great surprises for people.

Mr. Hart: — Okay. So now if we turn to the land lease fee, how are you going to determine that portion of the annual fee?

Hon. Mr. Nilson: — Well I think once again that this determination about . . . that in the question I asked in the beginning is you have internally the question of, how much do I pay versus my neighbours in my subdivision? And this is the one that, you know, the people that have beachfront, for example, pay more or less and that's the area that we're trying to do some work right now.

But I think that there will be a method that's totally transparent, open, about how this is calculated. And it'll obviously be subject to once again some appeal process that's available which is, I think, set out in this legislation to be developed if people don't agree with that cost vis-à-vis their neighbours in their own subdivision. Because I think that's where some of the concern has arisen that the guy, you know, four rows back should pay the same amount as the one that's right on the water.

Mr. Hart: — You said you hope that there's a system in place or you think there's a system in place to deal with this, but it's a fairly complex issue, I am thinking. I know when the initial proposal in 2004 was put forward to use an assessment system and then tie that to a mill rate, an average mill rate of the surrounding communities, it seemed to cause a lot of consternation and a lot of opposition from cottage owners.

So I think, you know, I think people would like to have a better, you know, more details as to are you looking . . . For instance I believe the old system, if I understand it correctly, was the lease fee was based on the frontage, the number of feet you had, you know, your lot, which had its flaws. What system are you using to determine an evaluation or value of a lot, you know, so that lot A is situated along the lakefront and it's of a particular size and lot B is two streets back and it's the same size, and how do you differentiate between those two?

I think we need to have a, you know, some specified system of evaluating the differences between those two examples that I gave. What's in place to deal with that?

Hon. Mr. Nilson: — Okay. I will try to answer this, and it's a bit hard because we know that each individual lot will have a valuation which we will hope, once we've gone through the whole process, will be relative to their neighbours in a way that

they understand and accept. But we do have an appeal process for individual people on lots to make a claim against that.

Now you've identified quite correctly that there are a whole number of ways to deal with this. And a previous method of calculated on the front footage has many difficulties. You can go all the way across to a situation where there's just a flat fee for everybody. That's not the type of system that's been used, really, in any residential area in the province. Usually it has some tie to a fair comparison of value.

What we're looking at here, clearly, is something that will be a combination in that mix that is acceptable to everybody who lives there. And we also then have to respond very clearly because I've had a number of complaints and concerns from people who live outside the park subdivisions that they can't be way out of whack on the amounts of costs there compared to a resort village or some of the lands that might be developed in a rural municipality or an urban municipality for that matter.

Mr. Hart: — So in order to determine the relative value I guess, if we want to use that term — although the cottage owners don't own the lot but there's a certain value to having this particular lot versus one further back from the water and those sorts of things — are you proposing to use the assessment system that's used for valuating private property, you know, using the SAMA [Saskatchewan Assessment Management Agency] guidelines? I believe that was part of the 2004 proposal. I don't understand the system that you're going to be using to determine the value of lot A that's on the waterfront and lot B that's up on the hillside. And then you have the whole variation of different sizes and so on. Well what system are you using to come up with a value, for the lack of a better term?

Hon. Mr. Nilson: — Well thank you for the question. And once again you ask a simple question. I have to answer it a little more complicated way. And it would be, once we get the work done on all the fees that will total \$2.1 million, then I think everybody will see how we're trying to be fair across the board.

But the old system had a lease fee, but it also had another component which was a building improvement fee, which sort of defeated the purpose in a way of some of the subdivisions and encouraging people to build nice places. And so one of the things we're trying to do is to make sure that we don't in any way penalize people for doing appropriate things and building nice places because that's good for everybody who lives in a particular area, especially when many more people are living year-round.

So we'll be looking at the valuations that are done through SAMA as one aspect, but the SAMA valuations usually don't differentiate between land and improvements in the same way. And so that's why we're not just going to use that directly because that causes the same kind of problem that we had before with this sort of building improvement surcharge.

And so we think we have a method of doing all this which is spelled out in this legislation, which divides between the service and the land lease side; that will not penalize people who do a good job of improving their property, make sure they pay their fair share of the overall costs of the kinds of services that are there.

But it won't be directly equivalent to what's happening in a resort village or in the RM or in a town or somewhere close by, because clearly there are factors related to the fact that people can't buy their lot. They end up having, you know, a long-term lease.

So it's very much, I think, in that narrow window that we'll be working. And we received very good advice through the committee and the work that's done there. We've had very good work around, on the service fee side and we've been working to get a mechanism that's very transparent, and then with an appeal process in it on the land lease prospect, and one that doesn't penalize people if they do good improvements to their particular lot.

Mr. Hart: — I understand that the advisory committee did recommend splitting the two fees, the service fee and the land lease fee. And I would presume that they offered some suggestions as to, you know, how to deal with the land lease fee. I guess my question is, what did they suggest?

Hon. Mr. Nilson: — I think what they suggested was basing these land lease fees on a combination of cottage and lot classifications, minimum size of the lot and other factors. So they had a whole number of factors. And that's ultimately, I think, how we'll end up with a system.

Then the discussion comes, oh which factors and how you do that. And I think what we're trying to work at with this particular legislation is to make sure that we do something that's fair in one park and then it has a clear appeal process because everybody will know what everybody else is paying. And if we don't get it 100 per cent right the first year, well we'll have that appeal mechanism there. We think that because of the amount of work that we've done with the cottage owners' association that we won't be way out of whack, sort of, anywhere in the province. There will be, probably because the system changes, there will probably be some adjustments up and down but not huge like they were in the previous proposal.

Mr. Hart: — Just so that I understand you, Minister, are you saying that as far as the land lease fee component of the annual fee, are you following the recommendation that the advisory group set forward? Or are you going back, are using the fair value assessment system more so? Just where are you on that?

Hon. Mr. Nilson: — Well I think basically we're taking a substantial bit of advice, but we're still trying to figure out if all of the ways that they've set out — on the lot classifications for example or the minimum size of lots and other factors that may be included — whether those work out to be fair and transparent across the whole system. And that's what we're actually working on now.

But substantially the suggestion that they've made around these land lease fee amounts is what we're taking. And we're only doing it as it relates to the land so that we don't have that penalizing issue around the building improvement.

Now that's an issue that is one for comparing the people outside the park to inside the park that we'll have to continue to grapple with, because one of the questions does come on that comparison across the board. But as we're dealing with it here,

we'll have an appeal structure and it will allow people to see how the calculations have been done and then make their appeal if they don't like how their lot's been characterized versus the neighbour across the street or down the road.

Mr. Hart: — Well I guess probably the bottom line in this is, probably the question that most cottagers are wanting an answer to is basically how at the end of the day, 2006, how will their annual fee compare to what they paid last year and how it will compare to what they paid prior to 2004. I think that's probably the question that they most want an answer to. And so I'll just ask you for your answer to that question.

Hon. Mr. Nilson: — Well I'll answer it this way because we don't have the calculations done for each particular lot, which is the main concern of individuals.

But a revenue target of 2.1 per cent represents a 12 per cent overall increase from last year for the cottage owners — just in excess of 2,000 in number — over last year. But some will end up having that amount. Some will have a lesser increase. Some will actually have a decrease as it relates to the overall assessment. But that's the amount of revenue increase that we're working at.

And we haven't done the comparison about how that compares with what it would be if it was the RMs or the resort villages around the provincial parks. And that may be for another day to raise that question. But this is the amount that we're working at for this year's budget and it's the amount that we've been working at with the cottage owners. And we're, I think, quite satisfied that it's not a huge increase, but it does start moving the overall cost to be more in line with neighbours outside the park.

Mr. Hart: — I guess another question is, once we've established the 2006 annual fee, gone through all the discussions and calculations and so on, are you proposing that every year you go back and redo all of this? Or have you devised or will you be devising a mechanism of an adjustment every year without having to go through all these extensive calculations and consultations?

Hon. Mr. Nilson: — Well thank you again for a good question. The sense is, and this has been discussed with the cottage owners, is that on the land lease side it would be every four years. There might be an adjustment on that side but there'd be a recognition on the service side that there may need to be adjustments each year.

There also is a recognition that if, for example, a new water system had to be put in or a new sewage system, that the development of that would include some of the cottage owners or their associations so that they could see, well this is the kind of costs and frankly be part of the discussion which would increase their costs in these residential communities. And that they would increase at a time when a project was paid for as it was built over a year or two.

Mr. Hart: — So did I hear correctly, Minister, when you said that the land lease portion of the annual fee will be set, will remain the same for four years once we get this year's calculation done?

Hon. Mr. Nilson: — Yes, that's the plan. And on the service fee side, there would be an annual adjustment for inflation, basically like a COLA [cost-of-living adjustment] clause. And then if there are specific projects that might boost the fee 5 per cent or something because they wanted to build a particular water system or sewage system or pave the roads or put in sidewalks, those kinds of things would be basically worked at together and wouldn't have to take, I don't guess, 100 per cent consensus. But it would have to have a fairly good consensus that they should go ahead. So it's not different than other communities where people are living together and sharing some of their costs.

Mr. Hart: — I don't see anywhere in the Bill where the amendment . . . an opportunity for review of the whole system that is being introduced here. Will there be, in regulation will there be any consideration given to say two or three or five years down the road . . . Well probably two or three years may be too soon but five years or so down the road that maybe this system will be reviewed. Is that part of the proposed regulations?

Hon. Mr. Nilson: — Yes, you're correct in surmising it's not part of the Bill. But one of the things that we've clearly learned over the last 18 months is that by being very open with the costs and talking and working with the cottage owners and the residential communities, that many of the misunderstandings can be cleared up. And then also plans can be made that will benefit everybody.

And so part of the whole structure, I think, as we move forward, will include the cottage owners associations and developing for each park and then on a province-wide basis because I think they'll want to continue working together to see how one park compares to another park, that that will continue as well.

So clearly the intention of everybody is that this will be an ongoing process and review. And if some glaring problems are there then and the advice is that we need to change the Act to fix them, well then I'm sure we'll be very willing to listen to that and figure out how to do it. But I think we've also created the legislation in a way that gives the ability to fix some of the very narrow specific problems. But if the overall system is wrong, well then we'll have to come back to it and amend the legislation.

Mr. Hart: — Thank you, Minister. I see — I believe it's under clause 5 of this particular amendment — there's a reference made to basically, if I'm reading it right, you're not going to give any of the money back that was collected in 2004 that may be higher than . . . or money that people paid that they felt was far too high. There's a reference here that no refund of monies paid on leases based on assessed building values and gross revenues and that sort of thing. Could you just explain what's meant by that clause? It's an addition to subsection 27(3).

Hon. Mr. Nilson: — I think basically the explanation on that one is that in previous decades — if I can put it that way — the issue of fees versus taxes was before the Supreme Court of Canada and became something that was litigated in a number of ways. And all we're doing here is saying anything that happened before that time, if it gets involved in litigation to go back and try to sort out how much were fees and how much

might have been a tax, we're going to eliminate that particular issue. So there's no sense here of any particular problem other than that general problem that comes out of the Eurig decision of the Supreme Court of Canada. So that's what that clause is.

There is another clause in here that says that fees that are set in June, which is the normal course, will be based on the annual financial year of the province, which is April 1 one year to March 31 of the next year. And so that has a bit of a retroactive sound to it, but all it really means is that the fees won't be set before April 1 of the year that we set them, usually in June.

Mr. Hart: — Minister, are there outstanding fees that haven't been collected? And I understand that there were some cottage owners who, when they got their 2004 fee or notice of lease fee, that there was some fairly huge increases, that they decided that they're only going to pay the amount that they had paid in previous years. And I'm just wondering if there's amounts outstanding that go back to 2004. And if so, what's the approximate total of those outstanding amounts?

Hon. Mr. Nilson: — Thank you for that question. I think it's about 5 per cent or about 100 residences, so 100 people that have some question about some of the interest costs primarily but . . . So that's still to be worked out as we move forward.

Mr. Hart: — I'm guessing that the reason that these people or at least some of those people who didn't remit the full amount, they did it because there was a pretty significant increase for 2004. So how are you going to handle that in those cases where people perhaps saw, you know, very large increases over what they had been paying? Under this plan are you looking at perhaps writing some of that down, you know, to make it more in line with what these fees will eventually calculate out to be?

Hon. Mr. Nilson: — What was done in response to that two years ago was the initial plan had \$600 increases that would be the maximum increase in one year. And it was rolled back to a \$300 increase and then it was frozen for the next year. So there was no increase, and so that was what was done in response to those initial concerns.

What we'll be now doing is, as we do all of the calculations under the new system, we will be then setting the fees, and I think then on a case-by-case basis these issues will be sorted out. So it's hoped that the net result will be harmonious communities, harmonious paying the fees that are there, and relatively harmonious with the neighbours outside the parks who are encouraging us to jack up the fees.

So we've got a lot of groups that have different interests here and we're, I think, trying to find that balance and we're on that road. This legislation helps us get there. Whether it gets us to 100 per cent harmony, I'm not certain.

But I'd have to say thank you very much to the officials who've been working on this here and in each regional park. They have learned many things actually about how the cost structures of the park systems work, but they've also been able to educate many of the local people and the people outside the parks about what it actually costs to run the park system.

Mr. Hart: — Well thank you, Mr. Chair. I see our time is up,

Minister. I'd like to thank you and your officials for the valuable information that you've given us this afternoon. And as you have and your officials have consulted with the cottage owners, we are doing the same. And I'm sure the information presented here this afternoon will be very useful to them, and we will certainly deal with . . . conclude our discussions in the next meeting of this committee. Thank you.

The Chair: — Thank you, Mr. Hart. With it now being just a little past 5 o'clock, the committee will stand recessed until 6 o'clock. Thank you.

[The committee recessed for a period of time.]

General Revenue Fund Northern Affairs Vote 75

Subvote (NA01)

The Chair: — Good evening. We will reconvene the Standing Committee on Intergovernmental Affairs and Infrastructure. The item of business before the committee this evening is the consideration of estimates for the Department of Northern Affairs, vote 75. I recognize the minister and I ask the minister to introduce her officials.

Hon. Ms. Beatty: — Thank you, Mr. Chair. With me this evening is Al Hilton, the deputy minister of Northern Affairs to the left of me, and Anita Jones, executive director of planning and financial management. To the right of me is Glenn McKenzie, the assistant deputy minister. And behind me is Richard Turkheim, executive director of resources and industry development, also Gerald DesRoches, senior account manager for the Northern Development Fund.

The Chair: — Thank you, Madam Minister. Do you have opening remarks, Madam Minister? We'll take them now.

Hon. Ms. Beatty: — We will go ahead with the questions.

The Chair: — Thank you. Mr. Allchurch.

Mr. Allchurch: — Thank you, Mr. Chair. Welcome this evening, Madam Minister, and welcome to your officials this evening, especially to the officials that travelled from the North to come down here this evening. Welcome.

My first line of questioning still deals with the budget. And in opening remarks that you made last questioning period we had, you stated that there was \$145 million that went into the North, not just through Northern Affairs. Could the minister stipulate the breakdown of the \$145 million going to the North and what it is for?

Hon. Ms. Beatty: — Mr. Chair, we don't have the details this evening but we can get that information for you.

Mr. Allchurch: — Thank you, Madam Minister. What I need as far as a breakdown is which agency through government puts money into the North which is part of the \$145 million, whether it's through energy and resources or Northern Affairs or Environment or whatever, and the breakdown of what it is used

for. Okay and if you would get that to me later I'd appreciate it. Thank you.

Also in regarding the budget, if you look at the increase for Northern Affairs, in this year's budget there's a slim margin of roughly \$229,000. Also if you take out the two FTEs [full-time equivalent] that were hired to look after certain aspects of the North, which according to the minister was roughly 200,000, leaves a small portion of just \$29,000 in the increase for this year's budget. And as I mentioned a time before in questioning, with the amount of money coming into the province this year, I thought that 29,000 is a small increase for just Northern Affairs.

Why, Madam Minister, was there not more money put through Northern Affairs to look after the people of the North in this year's budget?

Hon. Ms. Beatty: — Mr. Chair, at this point in time the budget reflects the programs that we are delivering right now and we feel are sufficient. And in addition to this year's budget, there is an increase of 500,000 to the loan program for northern Saskatchewan.

Mr. Allchurch: — Thank you, Mr. Chair. Madam Minister, the 500,000, that is not through Northern Affairs then?

Hon. Ms. Beatty: — The 500,000 is a loan fund and it doesn't show up as a budget item, but it is there.

Mr. Allchurch: — Thank you for that. Where does the 500,000 show up then if it doesn't show up on the budget?

Hon. Ms. Beatty: — Mr. Chair, the 500,000 shows up on page 162 of the Estimates, budget Estimates.

Mr. Allchurch: — Pardon me. What was that again, Madam Minister?

Hon. Ms. Beatty: — Page 162 in the budget Estimates.

Mr. Allchurch: — Thank you, Madam Minister. In regards to the \$145 million that goes to the North through different agencies, does the minister know what the breakdown of that is as far as what is for loans and what is for operating? Does the minister have that information?

Hon. Ms. Beatty: — Mr. Chair, the 145 million includes new initiatives and new projects in northern Saskatchewan. And we can provide the breakdown of how the money is allocated by departments and the different initiatives in northern Saskatchewan. We can provide that to you later.

Mr. Allchurch: — Thank you, Mr. Chair. Madam Minister, that would be efficient. In regards to Northern Affairs and the \$145 million that goes to the North, where does that line in the province start to . . . [inaudible] . . . between the north and the south? Is it like Meadow Lake north? Or where is the line that approximately would be accounted for as far as the northern loans worth 145 million . . . or northern money I should say?

Hon. Ms. Beatty: — Mr. Chair, it's the 54th parallel.

Mr. Allchurch: — Thank you, Madam Minister. In regards to

the east side of the province versus the west side of the province in the North, what percentage of the money goes to the east side versus what percentage of money goes to the west side as far as the 145 million?

Hon. Ms. Beatty: — Mr. Chair, the officials say that it would be a guesstimate, you know, if we were to come up with a figure. But, you know, usually the money allocated is not broken down into the northwest side or the northeast side, but, you know, that the information that we would provide would be an estimate. And we don't have that at this point in time.

Mr. Allchurch: — Thank you, Mr. Chair. Madam Minister, then in getting the information to me as far as what the breakdown or the \$145 million within that boundaries, could you also break down, is there a major breakdown between east and west as far as the money being allocated to the North. Could you also do that then, provide that information for me?

Hon. Ms. Beatty: — Mr. Chair, the officials will try to give you, you know, an approximate breakdown. That's the best they can do. But as part of the information that you have requested earlier, we will do that as well.

Mr. Allchurch: — Thank you, Mr. Chair. Thank you, Madam Minister, I'd appreciate that when it comes.

I now want to go into a new area and that is some questions on the Northwest Community Wood Products. Could the minister provide me with information as to which towns or villages are currently involved in the NWC [Northwest Communities Wood Products Ltd.] partnership?

Hon. Ms. Beatty: — Mr. Chair, the Northwest Community Wood Products is owned by seven Métis communities in northwest Saskatchewan, and the communities include Ile-a-la-Crosse, Beauval, Pinehouse, Patuanak, Green Lake, La Loche, and Buffalo Narrows.

Mr. Allchurch: — Thank you, Madam Minister. Mr. Chair, does the department anticipate any more towns or municipalities joining in this partnership as we speak now?

Hon. Ms. Beatty: — Mr. Chair, at this point in time the company has not indicated that they will be adding any more communities to the partnership and it would be the company's decision to do that.

Mr. Allchurch: — Thank you, Madam Minister. Northwest Communities Wood Products started in what year?

Hon. Ms. Beatty: — Mr. Chair, they were formed in 1999.

Mr. Allchurch: — Madam Minister, how much money has SNA [Saskatchewan Northern Affairs] given through loans or grants or other, or is administrating on behalf of the government since 1999?

Hon. Ms. Beatty: — Mr. Chair, Saskatchewan Northern Affairs has provided a grant of 225,000 in 2004-05. And in 2005, there was an additional one-time operating grant of 50,000.

Mr. Allchurch: — Thank you, Mr. Chair. That is the total money that the government has given to Northwest Community Wood Products for the term '99 to present?

Hon. Ms. Beatty: — Yes, this money that I have mentioned, it was money provided through Saskatchewan Northern Affairs.

Mr. Allchurch: — Has there been money given through another agency to Northwest Community Wood Products?

Hon. Ms. Beatty: — Mr. Chair, the answer is yes. There has been an agreement or an investment through the Investment Saskatchewan.

Mr. Allchurch: — Thank you, Mr. Chair. Madam Minister, how much money was given through Investment Saskatchewan?

Hon. Ms. Beatty: — Mr. Chair, Investment Saskatchewan made a \$2 million financing agreement with Northwest Community Wood Products.

Mr. Allchurch: — Madam Minister, when was that money given to Northwest Community Wood Products?

Hon. Ms. Beatty: — Mr. Chair, the financing agreement was made in the fall of 2005.

Mr. Allchurch: — How much money was given in the fall of 2005? Did I hear you say a number? I don't believe that you did.

Hon. Ms. Beatty: — Mr. Chair, the \$2 million financing agreement through Investments Saskatchewan was the amount that was made in 2005. Is that your question?

Mr. Allchurch: — Thank you, Mr. Chair. Madam Minister, in a question that I asked the Minister Responsible for Investment Saskatchewan Inc., and this was on April 25, 2006: in the fiscal year 2005-2006 did Investment Saskatchewan provide any money to Northwest Community Wood Products? If so, how much?

And the answer that came back was yes, Investment Saskatchewan approved a loan to Northwest Communities Holdings Inc. in the amount of 2 million. As of December 31, 2005, 1 million has been disbursed to the company. Is that correct?

Hon. Ms. Beatty: — Mr. Chair, we are only aware of the total amount of financing that was made available through Investment Saskatchewan. We're not aware of the detailed breakdown of the agreement between the two.

Mr. Allchurch: — Thank you, Madam Minister. So in that regards then you would look at it as 2 million given to Northwest Community Wood Products, not the 1 million up to 2005, and then maybe another million in 2006. According to your records it would be the full 2 million.

Hon. Ms. Beatty: — Mr. Chair, I'm going to ask the deputy to give you more details.

Mr. Hilton: — Yes. I guess, Mr. Chair, Northern Affairs would not be aware of the details of an investment agreement between Investment Saskatchewan and any commercial enterprise. What we do know is that the financing agreement was for a total of \$2 million. And we would be unaware of how that \$2 million gets drawn down.

Mr. Allchurch: — Thank you, Deputy Minister. Madam Minister, is there any other agency that could provide money to Northwest Community Wood Products?

Hon. Ms. Beatty: — Mr. Chair, we are not aware of any other provincial government agency that's providing funding to the Northwest Community Wood Products.

Mr. Allchurch: — Thank you, Mr. Chair. Madam Minister, does the economic and co-operative development under Northern Development Fund, are you responsible for that portfolio also?

Hon. Ms. Beatty: — Mr. Chair, Northern Affairs is responsible for the Northern Development Fund which includes the loans program and the — what is the second one? — Mr. Chair, the small grants program.

Mr. Allchurch: — Okay. Thank you, Mr. Chair. Madam Minister, the Centenary Capital Fund for northern projects, that would not, also not be administered through your Department of Northern Affairs either?

Hon. Ms. Beatty: — Mr. Chair, the answer is no.

Mr. Allchurch: — Madam Minister, what happens when money is given to a company through an order in council or NDF [Northern Development Fund] loan or any funding agreement on behalf of the government when the company does not deliver on the agreed upon terms in that order in council, NDF loan, etc.?

Hon. Ms. Beatty: — Mr. Chair, can we get a clarification of whether you're talking about a loan or a grant.

Mr. Allchurch: — Madam Minister, this would be a loan, a NDF loan.

Hon. Ms. Beatty: — Mr. Chair, I'm going to ask the deputy to give you the response.

Mr. Hilton: — In the case of a loan in a situation where we're not repaid, that gets accounted for as an expense which is why in the budget we have the loan loss provision.

Mr. Allchurch: — Okay. Thank you, Deputy Minister. Madam Minister, what happens when money is given through a company through an order in council with a grant or any other funding agreement?

Mr. Hilton: — Typically if we're thinking about a grant paid out under the Northern Development Fund, we would pay that out in pieces. So for example, we might give 80 per cent upfront or 90 per cent upfront or 70 per cent upfront and we will withhold the remainder of the grant until we're satisfied that the conditions are met.

Mr. Allchurch: — Thank you, Deputy Minister. In regards to the NDF loan, is money withdrawn in any way? Or is the loan given out in one lump sum?

Mr. Hilton: — Mr. Chairman, I'm advised that it really depends on the needs of the client. In some cases the loan payment will go out in one lump sum and other times it might go out in two or three or four instalments.

Mr. Allchurch: — Thank you, Deputy Minister. Madam Minister, are there penalties for not complying with the order in council requirements?

Hon. Ms. Beatty: — Mr. Chair, the answer is that if a person receiving a grant fails to live up to their commitments, it is unlikely that they will ever receive another grant again.

Mr. Allchurch: — Mr. Chair, so, Madam Minister, then that is the penalty. They get a one-time shot and if they don't comply with that then they will not receive another loan. Is that correct?

Hon. Ms. Beatty: — We are referring to a grant, as per your question.

Mr. Allchurch: — Madam Minister, a grant or loan, unless they're different . . . But if they receive a grant or loan, are there penalties regarding not complying with the order in council? The penalty then would be that you're given a one-time shot on either and if it's not complied with then you would not receive another loan or grant. Is that correct?

Mr. Hilton: — If I can just speak to the loan issue first and then perhaps get some clarification on the grant question. With respect to loans, if someone defaults on a loan there will be collection activities undertaken to try to pursue it. And generally speaking, if someone has defaulted on a loan and we are unable to recover the money, that would not bode well for the individual if they were to apply for another loan. It would affect credit ratings and other things that we look at before we make a loan.

And I'm sorry, sir, I missed the specific question on the grant.

Mr. Allchurch: — What happens in regards to grants? Is it the same as for loans?

Mr. Hilton: — I'll ask my staff to correct me if I mischaracterize the answer here. I think it's very different. In the case of a grant, really there's less ability on the part of Northern Affairs to collect money back on a grant if conditions haven't been met. And typically what we would do is, if conditions weren't met we would put that in the file. And generally speaking if they came to the deputy looking for another grant, he's not likely to look very favourable on it.

Mr. Allchurch: — Thank you, Deputy Minister. Madam Minister, I'm not going to go into the loan loss provision because I went there last time. And as I told you then, I'll tell you now also that I am not an accountant and I read up all the answers that your assistant there, Ms. Jones, gave me and I did go to an accountant to see actually how it worked. And it works I think very similar to how a credit union will work. And in so going I won't go down that road because now I know how it

works.

OC [order in council] 441 in 2004 gave Northwest Communities \$225,000 for the establishment of a forest industry business through The Northern Affairs Act and The Government Organization Act. My understanding was that the money was supposed to be for development of a saw mill at Beauval. Is this correct?

Hon. Ms. Beatty: — Mr. Chair, the answer — you are correct.

Mr. Allchurch: — Madam Minister, has this saw mill been established either by Northwest Communities or its subsidiary Beauval Forest Industries?

Hon. Ms. Beatty: — Mr. Chair, from what we have from the company, there has been a fence post operation established and there are plans to establish a saw mill.

Mr. Allchurch: — Is the saw mill at Beauval up and running to date?

Hon. Ms. Beatty: — Mr. Chair, the fence post operation is in Beauval and it's in place now. There are plans to establish the saw mill by this fall and the fence post operation has delivered . . . is done its first delivery. And in terms of the saw mill, with the planned opening of this fall, you know, with the market conditions the way they are, they might be, you know, they might have to review that plan.

Mr. Allchurch: — Thank you, Madam Minister. Mr. Chair. The fence post operation at Beauval, how many people does it employ to date?

Hon. Ms. Beatty: — Mr. Chair, to the best of our knowledge, at full production the fence post operation will employ 12 people.

Mr. Allchurch: — Thank you, Madam Minister. Mr. Chair, you also mentioned that this fall there would be a saw mill going up in Beauval which also would work hand in hand with the fence post operation. Is this correct?

Hon. Ms. Beatty: — Mr. Chair, we have been advised by the company that this is, you know, what they are planning to do.

Mr. Allchurch: — So it's just a proposal that a saw mill will go up in Beauval. It's not for sure that they're putting a saw mill up as we speak to date then?

Hon. Ms. Beatty: — Mr. Chair, from what we understand that is part of their business plan.

Mr. Allchurch: — Thank you, Madam Minister, Mr. Chair. There is also I believe a saw mill at Green Lake. Is this saw mill in Green Lake operational as we speak today?

Hon. Ms. Beatty: — Here from what we know the Green Lake Métis Wood Products, the saw mill is not operating at this point in time. But we also understand that there are plans to try and reopen that saw mill.

Mr. Allchurch: — Thank you, Madam Minister. When did the

Green Lake mill close down?

Hon. Ms. Beatty: — Mr. Chair, the date is July 2004.

Mr. Allchurch: — Thank you, Madam Minister. Mr. Chair, I got a Northwest Communities progress report as of November 29, 2004, and at that period of time the project at Beauval had not been up and running. But at that time there was a proposal for a softwood mill. Saskatchewan Environment at that time took a position clearly that there was no room for two softwood saw mills in that region. Clearly Beauval has not got one started but may. Is the reason for Beauval looking at starting up a saw mill because Green Lake is not running as we speak right now?

Hon. Ms. Beatty: — Mr. Chair, as to the issue of two saw mills in the area, that is an issue that would be up to the Department of Environment to decide and probably the communities themselves in that area.

Mr. Allchurch: — Thank you, Madam Minister. Mr. Chair, it stands to reason. I can see Saskatchewan Environment's position that two softwood saw mills so close to each other, I don't know how they could operate. Could you explain why the Green Lake saw mill shut down in 2004?

Mr. Hilton: — Mr. Chair, I'm not familiar with sort of the commercial details of the Green Lake saw mill operation. All I can say is that I would assume that it closed down because it was no longer commercially viable. Beyond that I really don't have the details.

Mr. Allchurch: — Thank you, Deputy Minister. Madam Minister, do you know if the Northwest Communities has been granted a term supply lease, a TSL [term supply licence] for timber harvesting?

Hon. Ms. Beatty: — Mr. Chair, we understand that the Northwest Community Wood Products have a timber supply licence.

Mr. Allchurch: — When was the Northwest Communities granted a TSL?

Hon. Ms. Beatty: — Mr. Chair, we don't have that specific date tonight.

Mr. Allchurch: — Mr. Chair, Madam Minister, do you know if Northwest Communities has been granted a forest management agreement, FMA, by the province of Saskatchewan?

Hon. Ms. Beatty: — Mr. Chair, the answer is no.

Mr. Allchurch: — Madam Minister, one of the milestones and deliverables in OC 441/2004 required an ex officio board member on NWC's board of directors. Has the department nominated an official to sit on the NWC board of directors?

Hon. Ms. Beatty: — Mr. Chair, the answer is no.

Mr. Allchurch: — How many board meetings has the department . . . Oh the answer was no so we can't attend meetings. Under the Northwest Communities progress report dated November 29, '04 written by SNA department official,

Peter Mizanski, I believe it is, which said:

NWC was also to agree to the role of 'Project Management Team' of provincial government officials from SE, IR, ISI and SNA, where input would be provided on their activities. No one from SNA has attended a Directors meeting, and there was never a Project Management Team established. We have not received or inspected Board minutes of [that] meetings nor have we checked . . . [with] monthly budgets/expenditures/interim statements.

Why has the department not had a member on the board of directors?

Mr. Hilton: — Mr. Chair, I'm at a bit of a disadvantage. I'm unfamiliar with the report being referred to. I would take it that it is a report that would have been written by an official within our department for internal purposes. So I'll have to familiarize myself with that report.

I would say however that the set of relationships that went into creating northwest community forest products were complex. And I think the department needed to make some judgments at some point in 2004 about how it could most usefully support the company. And a decision may have been made at that time that participating on the board or providing an overabundance, if I can use that word, of government guidance in a project management sense might not have been the right thing to do.

Mr. Allchurch: — Thank you, Deputy Minister. Madam Minister, was . . . [inaudible] . . . Mizanski, was he a board director or a board official or did he sit on the Beauval Forest Industries as a director?

Mr. Hilton: — Mr. Mizanski is an employee within Northern Affairs. I don't believe at any time that he sat on the board of directors of the company.

Mr. Allchurch: — Thank you, Deputy Minister. He made some comments in regarding the progress report as of February 18, 2005 in regarding the Northwest Communities project in regard to Beauval Forest Industries.

And he states:

. . . the shareholders and Directors of Northwest Community raised important concerns about the management/ownership structure of the new company and what they perceived was a loss of control/broad management capabilities and the benefits that this project would bring to the individual communities. It was a [very] serious "upheaval with the shareholders" . . .

Can you comment on that, Madam Minister?

Mr. Hilton: — Mr. Chairman, again I don't have the document in front of me. I think it's fair to say however that this particular company, given the developmental nature and the intent — which was really to create a company made up of seven communities in order to enable the people of those communities to benefit from forestry development — I think it's fair to say that they had serious challenges. Some of which I guess one

would normally expect given that they were establishing a business in a sector they had little if any experience in. So there was a lot of challenges in the past, as I've been briefed anyway on the history of the company. But beyond that I'm hesitant to say a lot more until I have a chance to review the document that you're referring to.

Mr. Allchurch: — Thank you, Deputy Minister. Madam Minister, this project at the Beauval Forest Industries . . . According to this, the project will now proceed with three stages. And one you've mentioned, as far as starting up a post peeling operation which has already been started. They've also said that they want to start a skag mill for small dimensional logs. There's also a need for a revised business plan. Was there ever a business plan ever set up for this mill to begin with?

Hon. Ms. Beatty: — Could we have the member clarify whether he was talking about Beauval Forest Industries or the Northwest Community Wood Products?

Mr. Allchurch: — This is for the mill at Beauval.

Mr. Hilton: — Mr. Chair, I think it's fair to say that Beauval, as a subsidiary of Northwest Community Wood Products, would've had a business plan but I think it's also fair to say that business plans in this kind of sector over the last couple of years have been fluid and subject to changing market conditions.

Mr. Allchurch: — Thank you, Deputy Minister. Mr. Chair, getting back to the department and not having a member on the board of directors. Why has the department broken its own requirement for funding NWC? Where there any penalties for failing to meet the agreed terms?

Mr. Hilton: — Mr. Chair, it's my understanding that had we had somebody on the board it would have been in an ex officio capacity. I also understand that a decision was taken at the time that it wouldn't have been helpful, given the set of relationship issues that were involved in the company. And I guess lastly I might observe that I'm not aware that, at least in the last year or two, that the government has been asked by the company to sit on the board.

Mr. Allchurch: — Thank you, Deputy Minister. Mr. Chair, Madam Minister, is it not one of the government's requirements that they have somebody sitting on the board of directors?

Mr. Hilton: — Mr. Chair, it's not necessary and there's, I don't think, any clear rule that a government official would sit on the board in a case where we would be providing a grant.

I can't speak to the governance relationship that exists between Investment Saskatchewan and the company, but I suspect, given the nature of that relationship, there would be a different kind of governance relationship vis-à-vis Investment Saskatchewan and the company than there would be between Northern Affairs and the company.

Mr. Allchurch: — Thank you, Deputy Minister. Mr. Chair, to the minister. Another one of the requirements for funding was that the project management team made up of officials from the Department of Environment, Industry and Resources, and Northern Affairs. Was this project management team ever

established?

Mr. Hilton: — I'm advised, Mr. Chair, that officially no, but that officials from those departments on an ongoing way have provided advice and support to the company and to the board, but not as official members of the board.

Mr. Allchurch: — Okay. Thank you, Deputy Minister. Your answer is no. Then why was funding continued even though one of the requirements was not met?

Mr. Hilton: — Mr. Chair, I think it's fair to say that the support continued for a couple of reasons. One was because the advice and support to the board was being provided by government officials. And I guess the second reason would probably relate to an overall commitment to try to make this development activity work.

Mr. Allchurch: — Madam Minister, is this the standard practice for this department?

Hon. Ms. Beatty: — Mr. Chair, one of the mandates of Northern Affairs is to work with northern communities as much as possible in terms of providing support, advice, coordination when it comes to other departments, as much as possible so that they are part of northern development. In this case we're talking about forestry development as much as possible so yes, this is, you know, what Northern Affairs does.

Mr. Allchurch: — Okay. Thank you, Madam Minister. On what date did Northwest Communities or Beauval Forest Industries, BFI, submit an updated business plan for the department's consideration? OC requires a business plan by October 1, '04.

Hon. Ms. Beatty: — Mr. Chair, we don't have the specific date this evening.

Mr. Allchurch: — Madam Minister, can you supply that information to me with the next set of questioning?

Hon. Ms. Beatty: — Mr. Chair, we will do that.

Mr. Allchurch: — In that regards then, Madam Minister, has Northwest Communities or BFI ever submitted a business plan to this department, I would take it then you don't have the information for that either.

Hon. Ms. Beatty: — Mr. Chair, Northern Affairs has received a business plan. You know we don't have specific dates and we don't have that business plan here this evening.

Mr. Allchurch: — Madam Minister, Green Lake Wood Products, is it a partner with Northwest Communities?

Hon. Ms. Beatty: — Mr. Chair, from what we understand Green Lake continues to be a member of the Northwest Community Wood Products although there has been some relationship issues there.

Mr. Allchurch: — What is the relationship issues, Madam Minister?

Hon. Ms. Beatty: — Mr. Chair, this question would have to be directed to the shareholders themselves.

Mr. Allchurch: — Madam Minister, why would these questions have to be directed to the shareholders? I believe that through Northern Affairs and your ministry you should know I believe what is going on with the Northwest Communities project. I believe so because there's a substantial amount of money going through your department into Northwest Communities. So I'm wondering why there is a lack of information given tonight regarding Northwest Communities progress report and the ongoings of Northwest Communities in relationship to both Green Lake and Beauval.

Hon. Ms. Beatty: — Mr. Chair, the Department of Northern Affairs monitors, you know, the Northwest Community Wood Products because of the money that is being provided to this company, but also it's inappropriate that we would be the ones involved in the interrelationship between the communities themselves or shareholders.

Mr. Allchurch: — Thank you, Madam Minister. I believe it's in the annual reports through Northern Affairs.

Mr. Hilton: — Mr. Chairman, if I may. I'm briefed on issues as they arise. I understand that there's been relationship challenges. I'm just very cautious about characterizing on behalf of one of the shareholders or any of the shareholders the kind of relationship issues that they have with one another. I think it would be dangerous for me to do that because I may misrepresent the nature of the relationship that the shareholders themselves are managing and I wouldn't want to speak on their behalf in that regard.

Mr. Allchurch: — Mr. Chair, Madam Minister, I received information through an FOI [freedom of information], and it went through the provincial government institution which was Northern Affairs and in that I got the information regarding the Northwest Communities progress report. And in there it states everything in relationship to the questions I'm asking. Have you not had a copy of this report? And if not, why not?

Hon. Ms. Beatty: — Mr. Chair, that information has not been provided to me or to the deputy.

Mr. Allchurch: — Why would it not be provided to you or the deputy, if I obtained it through Northern Affairs?

Mr. Hilton: — Mr. Chair, obviously a freedom of information request that goes back two or three years — I don't know the date of it — I would say this, that it's not uncommon for a freedom of information request not to be brought to the deputy's attention necessarily. But I think it's also fair to say, Mr. Chair, that in this case it probably should have.

Mr. Allchurch: — I thank the deputy minister. Madam Chair, the information that I'm reading from right now is information given as of '05, the end of '04, November of '04 through to the present, which is of '05. And that's why I find it ironic that the Department of Northern Affairs and yourselves would not have this information in hand so that I could ask questions in regards to it.

This information has not been given for three, four, five years. It's just in the last year. So I'm wondering why this has not been given to you as information.

Mr. Hilton: — Mr. Chair, I think that I will take it upon myself to familiarize myself with the report, to brief my minister on the report, and to undertake to be in a position to have the minister answer any questions that the member might have on the report after I've had a chance to review it.

Mr. Allchurch: — Thank you, Deputy Minister. Has the department ever been given a legal opinion regarding continuing making financial payments even through the company that has not met the funding requirements?

Mr. Hilton: — Mr. Chair, not that I'm aware of.

Mr. Allchurch: — Okay. Thank you, Deputy Minister. Did the Department of Justice ever submit a legal opinion, written or verbal, to SNA regarding payments to SNA?

Hon. Ms. Beatty: — Mr. Chair, can we have clarification on that question. Payments to SNA or the Northwest Community Wood Products?

Mr. Allchurch: — Madam Minister, did the Department of Justice ever submit a legal opinion, written or verbal, to SNA regarding payments to SNA?

Hon. Ms. Beatty: — Mr. Chair, we're not aware of any payments or legal opinions to SNA. There might have been one sought and we will get that information.

Mr. Allchurch: — Thank you, Madam Minister. What about Northern Affairs to Northwest Communities?

Hon. Ms. Beatty: — Mr. Chair, could you rephrase that question please?

Mr. Allchurch: — Did the Department of Justice ever submit a legal opinion, written or verbal, from Northern Affairs to Northwest Communities?

Mr. Hilton: — I'm not aware, Mr. Chair, of any legal opinion that was offered by the Department of Justice in relation to our grant payments to northwest community forest products, which is not to say that there wasn't one. I will look into it and discern whether or not one was either provided verbally or in writing.

Mr. Allchurch: — Thank you, Deputy Minister, I appreciate that. Has the Department of Northern Affairs given any money to Northwest Communities in the fiscal year 2005-2006?

Hon. Ms. Beatty: — Mr. Chair, as we have indicated earlier this evening, Saskatchewan Northern Affairs provided a one-time operating grant of \$50,000 in October 2005.

Mr. Allchurch: — Thank you, Madam Minister. Are there plans for any contributions in '06-07 fiscal year?

Hon. Ms. Beatty: — Mr. Chair, there are no current plans to do that.

Mr. Allchurch: — Okay. In addition to that the Northwest Communities progress report dated April 8 . . . February 18, '05 states:

This is the final monetary contribution that the government will be making to this initiative.

Was the department not serious when it stated that there would be no more money, no more government money involved?

Mr. Hilton: — Mr. Chair, I think it's fair to say that the government was serious about that, the department was serious about that. The situation that we faced in October 2005 was the situation where the company was to the point of turning out the lights and locking the door. And it was felt that under certain conditions, a payment, a bridging payment of about \$50,000 to the company would enable them to finalize the plans that they had for the fence post mill in Beauval.

So the decision was taken at that time to provide them the additional 50,000 to keep the doors open and the lights on so that they might complete the fence post plan. And much to everybody's pleasure I would say the fence post plan is now operating and it's not clear if that would have happened if that \$50,000 grant payment had not been made.

Mr. Allchurch: — Okay. Madam Minister, the fence post plan it's in operation right now. Is it generating a profit as we speak?

Hon. Ms. Beatty: — Mr. Chair, the mill is in the start-up phase and they don't issue monthly financial statements to us, so at this point in time we don't know that.

Mr. Allchurch: — Okay. Thank you, Madam Minister. Out of all the money that has gone into the Northwest Communities, to date the only operation that is going is the fence post plant?

Hon. Ms. Beatty: — Mr. Chair, they also harvest timber in addition to their fence post operation. And as we indicated earlier this evening, there are also plans to open a saw mill in the fall.

Mr. Allchurch: — Thank you, Mr. Chair. Madam Minister, what do they do with the timber that they harvest?

Hon. Ms. Beatty: — Mr. Chair, the Northwest Communities Wood Products sell the timber that they harvest. I'm not aware of the details as to who they sell it to. But that's what they do.

Mr. Allchurch: — The fence post plant that they have up and going, how much was the start-up cost for that project?

Hon. Ms. Beatty: — Mr. Chair, we don't have the detailed information as to the different costs of different phases of their business. We don't have that information.

Mr. Allchurch: — Okay. Madam Minister, in regards to the deputy minister's answer regarding that the lights were going to be turned out unless this \$50,000 of grant money, one-time grant money I presume — yes, one-time grant money — that went to Northwest Community Wood Products . . . And I believe that was for the fence post operation to get it up and going. Was the \$50,000 enough to get the fence post operation

up and running? And was that the only cost that was attributed to the \$50,000?

Hon. Ms. Beatty: — Mr. Chair, as indicated earlier this evening, the 50,000 was for core operations, basically to keep the doors open as the deputy minister has indicated earlier. And also it allowed them to complete their financing agreements or arrangements with Investment Saskatchewan.

Mr. Allchurch: — Madam Minister, I don't know if you answered this already, but why did the government put more money into this company?

Hon. Ms. Beatty: — Mr. Chair, as I think I said several times this evening, this government is committed to ensuring that northerners have the opportunity as much as possible to participate in the resource development in Northern Saskatchewan. In this particular case, we're talking about forestry.

So the department is committed and it's part of their mandate to ensure that we provide as much support as possible to companies or organizations like Northwest Community Wood Products. And you know, this organization had done a lot of work. And they also needed an opportunity to participate in the forest industry and this was to ensure that they had a good chance of doing that.

Mr. Allchurch: — Thank you, Madam Minister. Through Investment Saskatchewan the loan of \$2 million at which, as of December 31, 2005, 1 million has been distributed to the company, was this \$1 million through Investment Saskatchewan, did that go into Northwest Communities in regard as set-up for the fence post operation?

Mr. Hilton: — Mr. Chairman, Northern Affairs is not aware of the details of the commercial arrangement between Investment Saskatchewan and Northwest Community Wood Products.

Mr. Allchurch: — Madam Minister, does Northern Affairs know what's going on with Northwest Communities Holdings Inc.?

Hon. Ms. Beatty: — Mr. Chair, we're not aware of it.

Mr. Allchurch: — Madam Minister, Northwest Communities Holdings Ltd. is Beauval Forest Industries. Does Northern Affairs know what . . . or has any relationship to the Beauval Forest Industries Inc.?

Mr. Hilton: — Mr. Chair, beyond the financial support and other support, advisory support, technical support, that Northern Affairs and others have provided northwest community forest products and through them their subsidiary, Beauval forest products, beyond that we . . . I'm not aware or I don't have any knowledge of the relationship between the two other than one owns the other and we have supported financially and through advice and technical support that organization.

Mr. Allchurch: — Thank you, Deputy Minister. Madam Minister, I believe that there's only one forestry operation in Beauval. In fact I know it is. It's fair to say through Northern Affairs that through Northwest Community Wood Products, a

grant of \$50,000 was given in 2005-2006. I believe it's also fair to say that through Investment Saskatchewan there was a sum of 2 million. As of December 31, 2005 there was 1 million given to the same company.

Now I know the minister may not know that through Investment Saskatchewan the money went in, but is it fair to say that this money, both the \$50,000 grant and the \$1 million went to the same place, which is Beauval Forest Industries?

Mr. Hilton: — Mr. Chair, I don't know if that's a fair statement or not. Again I'm not aware of the details of the commercial arrangement between Investment Saskatchewan and northwest community forest products. So I don't know to what extent the million dollar drawdown would have partially been devoted to the fence post operation or would have been devoted to other elements of their commercial interests. I'm just not in a position to know that.

Mr. Allchurch: — Thank you, Deputy Minister. Well, Madam Minister, we know for a fact that the \$50,000 went to Northwest Community Wood Products for the fence post operation. We know that. The money that Investment Saskatchewan approved, the \$1 million that went to Beauval Forest Industries Ltd., being that there's only one forest operation out of Beauval and you're not aware of the money that Investment Saskatchewan put in and where it went to, where else would it go if there's only one forest operation?

Mr. Hilton: — Mr. Chair, northwest community forest products presumably have other interests other than just the Beauval fence post mill. And just for clarity, the \$50,000 that was provided in '05-06 was provided in order to bridge the financial challenge that northwest community forest products was experiencing both in relation to finalizing their plans for the fence posts, but also giving them time to finalize their financial agreement with Investment Saskatchewan.

Mr. Allchurch: — Okay, Madam Minister. Upon whose direction was more money given to Northwest Communities or BFI? Would that come from yourself as the Minister of Northern Affairs or would that come from some other jurisdiction?

Hon. Ms. Beatty: — Mr. Chair, the operating grant of 50,000 was directed by the Minister of Northern Affairs.

Mr. Allchurch: — Thank you, Madam Minister. At any time was the department funding the operation or the operating expenses of Northwest Communities?

Hon. Ms. Beatty: — Mr. Chair, the 50,000 one-time grant was to cover operating expenses.

Mr. Allchurch: — Madam Minister, the one-time grant was just for operating expenses of the fence post mill?

Hon. Ms. Beatty: — Mr. Chair, the one-time operating grant was for the Northwest Community Wood Products to keep its doors open and to work out their financial arrangements to establish operations at Beauval Forest Industries.

Mr. Allchurch: — Thank you, Madam Minister. Madam

Minister, was there an environmental impact study, EIS[Environmental Impact Statement] completed for the proposed saw mill site for the Northwest Communities?

Mr. Hilton: — Mr. Chairman, I'm not aware that there was a full environmental assessment done. And I'm not aware if a full environmental assessment would be the right instrument that Environment would use in this particular case. They have other instruments that they would use. And I'm not in a position to speak to which of those instruments are applicable in this particular situation.

Mr. Allchurch: — Thank you, Deputy Minister. Then in regard in those questions I would ask them of Environment then, rather than of Northern Affairs? I will do so. Thank you.

Madam Minister, in all the questioning I've done today in regarding Northwest Community Wood Products, it started with 1999. And I have taken the opportunity to dig up a financial summary of Northwest Community Wood Products. And I would like your verification on the numbers that I present to you.

In 1999-2000 through Public Accounts volume 2, there was \$6,250 through Intergovernmental and Aboriginal Affairs. There was \$31,000 through Economic and Co-op Development, ONA [Office of Northern Affairs] Northern Development Fund. There was another \$6,250 through Environment and Resource Management, forest ecosystems and forest programs. There was another 6,250 through Economic and Co-operative Development through the Office of Northern Affairs and northern programs management. And again there was another \$6,250 for Economic and Co-operative Development which is program development and support, for a total of \$56,000. And I got these again from Public Accounts volume 2.

Then in the years 2000 to 2001, Public Accounts volume 2, it shows that there was \$11,680 given through Economic and Co-op Development, ONA Northern Development Fund; and another \$65,000 through the Centenary Capital Fund — and this is for northern projects — which for that year totals up to \$76,680.

In 2001-2002 through Public Accounts volume 2, there was \$200,000 given through Economic and Co-operative Development, ONA Northern Development Fund. There was \$18,750 through Economic and Co-operative Development, ONA resource and policy development. There was 91,453 given through Environment and Resource Management suppliers' payments. And also in 2001-2002, there was \$410,000 given through the Centenary Fund which is northern projects. The total for that year is 719,750.

In 2002-2003, there was \$14,250 given through Industry and Resources through the forestry development. There was \$225,000 given through Industry and Resources, the strategic investment fund for a total of 239,250.

In 2003-2004, there was 253,500 given through energy and resources for . . . under the Strategic Investment Fund. The government says there was 267,000. I don't know where the other addition is — my number is 253,500.

In '04-05, there was a total of \$225,000 given and in '05-06, there was a one-time grant of \$50,000. Plus in 2005 there was 1 million of the 2 million given through Investment Saskatchewan.

So, Madam Minister, when you do the math and add this all up it comes out to \$1,570,180 not taking in account the 50,000 one-time grant or the 2 million given through Investment Saskatchewan. That is a lot of money given to northwest community products, and to date what do we have to show for it?

Hon. Ms. Beatty: — Mr. Chair, as I've said earlier this evening, we want to be sure that northern communities, including the Métis people of northern Saskatchewan, participate as much as possible to all the development, all the resource development that's happening in the North. We want to ensure that they are included in forestry development. And this government continues to be committed to working with northern communities.

We understand that — I think that everybody understands — there's a lot of developmental issues, you know, that are happening. You know, it's part of community development. It's building leadership, it's building people, and it's going to take a long time. But at the same time we are committed to continuing to working with northerners to ensure the benefit from northern development that's happening. We don't want them to be sitting on the outside just as employees. We want them to be business partners and we will work with them as much as possible and we continue to be committed to doing that.

Mr. Allchurch: — Well thank you, Madam Minister. I agree with you. As for Métis people in the North or Métis people in the province of Saskatchewan, we want the same for them as anybody else.

But when you look at just one portion of Northern Affairs, and basically one community where money is given to Northwest Community Wood Products, doesn't this sound like a lot of money? And what do we have to show for it?

Now I can understand, Madam Minister, that the ministry of Northern Affairs you just took over, and this didn't happen just last year. It's been going on since 1999 to date. But when you do the math, Madam Minister, there's just about \$3,620,180 that is going into northwest community products and what do we have to show for it?

Madam Minister, do you agree with putting this much money into an organization, as it has been stipulated tonight by me, is the right way to go?

Hon. Ms. Beatty: — Mr. Chair, as I've said before the northwest side of the province — and this is the Métis people that we're talking about — like I've said before, this government is committed to working with northern people to ensure that they're participants of what's happening in northern Saskatchewan when it comes to development of different sectors of the economy. We are committed to continue to work with northern people.

And, you know, when you talk about this amount of money,

you know, like I said, you know, there are issues. There's capacity issues as I said in the last estimates that we sat here. There's capacity issues and this is part of it. This is working with northerners that don't necessarily have the expertise to do business, and this is part of the work that Northern Affairs does, is to work with people to ensure that they develop the expertise as time progresses.

You know, I think we all know other sectors of the economy where there's been millions poured. And you know that that's part of the commitment that government makes. And whether I took over this department, you know, just recently, I still believe that whether you're a First Nations or a Métis person from northern Saskatchewan that we want to ensure that we are part of the development that's happening in northern Saskatchewan, not just as employees, but as business partners, and this is the kind of commitment and long-term development that it takes. And maybe it costs money, but in the long run I truly believe that once, you know, businesses like this are established and they're continuing to make progress and make money, we're headed in the right direction.

At the end of the day, you know, there's been studies done that shows that when people have access to education, when they're business partners, that they will do well. And you know, I was reading Dr. Eric Howe's report a couple of nights ago and it gave me so much hope.

You know when new immigrants arrived in this province they were in the same boat as the Aboriginal people in this province. They didn't have access to education. They didn't have access to equity and capital to get into business. And this is what this government is committed to, to ensure that northern people, all Aboriginal people in this province, are part of the economy, continuing to build as partners, not only watching on the sidelines but to be part of this province truly as citizens and participants when . . . in economic development. And this is all part of it.

Mr. Allchurch: — Well thank you, Madam Minister. Madam Minister, in your statements previously when I asked about the fence post mill, I believe when I asked how many people are working at the mill, I believe you said 12. When I look at the amount of money that's gone through Northwest Community Wood Products and all we have is a fence mill, a fence post mill where 12 people are working, and then you make the comments that we are going in the right direction, I wonder how the people from the North in this small area are relating to your comments, we're going the right direction.

Again, Madam Minister, this is a ton of money going to a small operation of the North, and all we have to show for it is a fence post mill where 12 people are working. Do you believe that the people from the North are saying this is a right way to go?

Hon. Ms. Beatty: — Mr. Chair, I think it's more than the 12 people that we are talking about. You know this, the impact of this, of Northwest Community Wood Products, is beyond the 12 people. You know, as I have said earlier, you know, this is about building capacity. This is about ensuring that northerners benefit from northern development. And when the saw mill is in full operation, that's going to provide employment to additional 70 people.

And so as this company develops and builds its expertise, you know, there is no doubt that it's going to have a wider impact than the 12 people that the member has stated. Like I've said earlier, you know, we are committed to continuing to working with this company to ensure that they are headed in the right direction. And that, you know, for sure there, there is some risks involved and mistakes probably made. But we are committed to working with northerners to ensure that they are a part of the industry that's happening in forestry.

Mr. Allchurch: — Thank you, Madam Minister. Madam Minister, are you aware that there's more than just Northern Affairs that gives money to this Northwest Community Wood Products company?

Hon. Ms. Beatty: — Mr. Chair, as I have indicated earlier, we were aware that other departments had contributed to Northwest Community Wood Products. What we were talking about this evening was specific amounts provided through Saskatchewan Northern Affairs.

Mr. Allchurch: — Thank you, Madam Minister, Mr. Chair. Madam Minister, with the amount of money that's going to Northwest Communities Wood Products, you have said that you are in the right direction. Do you feel that the people of this small area are heading in the right direction by putting this much money in for what they're getting out of it?

Madam Minister, you're First Nations and you're from the North and no one knows better than you what happens in the North and the challenges that are in the North. I am a Métis and I'm not very far from Beauval or Green Lake and I'm there lots. And there are challenges there too. But I don't believe in the interests of Saskatchewan and the taxpayers of the province, that when you take this much money and put into one area, one small area, that there has to be some accountability. That accountability for that has to come through the ministry of Northern Affairs. Where is accountability shown in Northern Affairs in regards to this company?

Hon. Ms. Beatty: — Mr. Chair, through Saskatchewan Northern Affairs there was \$225,000 grant given in 2004 and '05. The Northwest Community Wood Products provided progress reports in October 2004, January 2005, and the final report in May 2005. The final report noted that Beauval industries had been incorporated, some equipment had been purchased, and the company had developed a business plan, a training plan, and a timber supply agreement. And with the 50,000 grant from Northern Affairs in 2005 and '06, Northwest Community Wood Products submitted a report in March 2006.

Mr. Allchurch: — Thank you, Madam Minister. Madam Minister, in your statement before, you said it's going to take some time to get projects like this in the North up and going. And we agree; it takes some time. This started in 1999. That is seven years. Back in 2005, there was an allocation of a grant of \$50,000 given. That grant of \$50,000 given to northwest wood products was there, otherwise the lights would be turned out. We have . . . We know that there's more money been put in because of the \$2 million loan.

Yes, it takes some time. How much time does it have to be to get something going with that amount of money being put into

the project? Is seven years not enough? If it is not, how many years do we need? And how much money do we need to get something going?

Hon. Ms. Beatty: — Mr. Chair, as I've indicated earlier, this money that . . . this 50,000 that we're talking about for example, or this money that has been provided to the Northwest Community Wood Products, you know, like I said earlier, there was probably mistakes made and a lot of learning happening. But that's the nature of people that have not always had access to education or the expertise. And this government, like I said, is committed to ensuring that this happens. That we're not as northerners, like you've said, are not sitting in the background any more as just employees. We want to be business partners. But that's going to take time.

And there is accountability, you know, there. And there is no question that I think we all hope that things would've moved faster and . . . But, you know, to me I still think this is important, that we ensure that we continue to be a support to northern people as much as possible, and work with them in areas that, you know, where there is need.

Mr. Allchurch: — Thank you, Madam Minister. Madam Minister, the area around Green Lake and Beauval, you know and I know that the people are there. We also know that the resources are there. What is it going to take to see that this facility is up and running and stays running, with the challenges that are ahead of us in regards to the forestry industry?

Now the minister and the deputy minister knows very well that our forestry industry is having very, very tough times, with the shutting down of Weyerhaeuser pulp and paper, with the mill at Big River, which is not very far from Green Lake, shutting down. I know for a fact that L & M out of Glaslyn, which deals strictly with posts and rails, is having a very difficult time and they've been established for years.

What is going to be there to guarantee that Northwest Community Wood Products will be there for a lifetime to give jobs and utilize the resource that they have? What more do we need to keep this going?

Madam Minister, we can't keep throwing money. Three million-plus dollars to this project in seven years I believe is enough taxpayers' money. How much more does the minister think we need to put in to keep it going?

Hon. Ms. Beatty: — Mr. Chair, I don't think anybody can guarantee any sector of the economy that is going to do well. Like other forest companies like the member has stated there are challenges, you know, that we are experiencing in the forestry industry and that's what we've said earlier, that you know, their business plan might have to be revisited.

But this is not the only sector of the economy that is suffering. You know, I look at the millions of dollars that are poured into the farm . . . agriculture and we've been doing that for years and it's the same question. And to me, you know, this is the kind of commitment that this government has made to continue to work with northerners as much as possible. And this kind of support and investment hasn't happened in the past.

And I believe, you know, as a northerner and somebody that sits in this legislature and is part of this government, that we continue to work with northerners as much as possible and work with them and support them as much as possible, whatever that takes. You know like we are talking about a certain amount of money, but you know I am committed to continue to work with northerners as much as possible.

And like I've said earlier regarding this specific project, they might have to revisit that business plan and they know that too. And we all know that, you know, the issues the forestry industry is encountering right now. And we all hope that in the future that things turn around, but nobody can say or guarantee what's going to happen and not happen in the future.

Mr. Allchurch: — Well, thank you, Madam Minister. Madam Minister, we know that your government puts money into farming. We also know that just this alone, there's money going into Northwest Community Wood Products. We also know from your comments before that there is some 14, \$15 million going into the North for operations. Is it fair to say that if we need to put money into northwest community products at the rate it's going, then we should put money into L & M or into Meadow Lake or Millar Western or Mistik Management or even Weyerhaeuser? In your own words, do you think we should be doing that as a government?

Hon. Ms. Beatty: — Mr. Chair, you know what I'm talking about is people in northern Saskatchewan that don't have the expertise a lot of times whether it comes to business and even just basic education. They need a lot of support. And I think it's unfair to compare them to multinationals like Weyerhaeuser, you know, who are doing quite well all over the world. You know my interest and my focus is on northern Saskatchewan and northern people and to ensuring that First Nations and Métis people are part of business development in this province.

Mr. Allchurch: — Thank you, Madam Minister. Madam Minister, in regards to just the northwest wood products, and that's all I've been dealing with tonight, and the reason for that is I've taken a lot of time to find out exactly how much money — taxpayers' money — has gone into this project. And I've often said that government should run government like a business and they stay the heck out of business. But when I look at this — and I'm not the only one — look at this project alone and see the end results and see the amount of money going into this project, somewhere along the line, Madam Minister, because it's taxpayers' money, there has to be some accountability. And, Madam Minister, you can't keep throwing money away into a project for the sake of a few jobs.

I understand the frustration and the trials of northern Saskatchewan. This is not the Far North. This is just the central north. The challenges further north are a lot greater. This is not in the North. This is in the central north. Therefore, Madam Minister, somewhere along the line someone has to take the bull by the horns and make sure that accountability to northwest wood products is there. And that must come out of this ministry which is Northern Affairs, and you are the minister.

I see our time is almost up, Madam Minister, but I just want to touch on a couple other things and that is in regards to skill training for northern people. And as through Northern Affairs,

there was \$755,000 of funding, both from the federal and provincial governments. Do you know anything about the funding from the provincial side? Was it administered through Northern Affairs?

Mr. Hilton: — If we're talking about funding that might come through the Northern Development Agreement, that's the only instrument that we would have that would provide that kind of money for the purposes of training. And if it's for the purposes of training under the Northern Development Agreement, although I'm not aware of the specifics of what you're asking, that money would almost certainly have been provided through the Department of Learning or Advanced Education and Employment.

Mr. Allchurch: — Okay. Thank you for that, Deputy Minister. The Government of Canada and Saskatchewan announced that there was a \$19.5 million in economic development funding for northwest Saskatchewan. And this is in regards to the Primrose Lake Air Weapons Range in northwest Saskatchewan. There was \$19.5 million given out. The fund will be invested in future opportunities for people of Jans Bay, Cole Bay, Ile-a-la-Crosse, and Beauval. And this was by the previous minister, Mr. Belanger:

“We will work with the communities to develop accountability mechanisms that ensure the fund provides assistance to elders while supporting the area's vision for a stronger economy and family well-being.”

Madam Minister, are you familiar with the money, the \$19.5 million, that's going to the Northwest?

Hon. Ms. Beatty: — Mr. Chair, the 19.5 million the member talks about has been negotiated. At this point in time, with the change in government, that has not been finalized. And there are two ministers involved, federal ministers — Western Diversification and also the Minister Responsible for National Defence. And so at this point in time that hasn't been finalized, but we are anticipating that this agreement will go ahead.

Mr. Allchurch: — Thank you, Madam Minister. I know this was brought up under the jurisdiction of Ralph Goodale, the minister of Finance for the federal government and the Saskatchewan Northern Affairs minister, Buckley Belanger, at that time. Now I know the federal government has changed. And do you know if the money still will be coming under the new federal government, which is the Conservative government? Are they pursuing this arrangement?

Hon. Ms. Beatty: — Mr. Chair, as I've indicated, there has not been any formal agreement at his time. But we don't anticipate that there would be problems.

Mr. Allchurch: — Okay. Do you know offhand, Madam Minister, how much money was given by the federal government if they take on this proposal and how much money was given through the provincial government?

Mr. Hilton: — Mr. Chairman, there are two components to the \$19.5 million economic development fund. The first component is a cost-shared component, which if my memory serves me correctly, would be \$6 million each from the federal

government and 6 million from the province. There's an additional 7.5 million that Western Diversification has added on top of that 12 for community infrastructure projects, which would bring it to a total of 19.5.

I would also say that in addition to waiting for some final confirmation from Ottawa that they're going to honour their previous agreement, we still continue — after we receive that assurance and those signatures from Ottawa — we still have work to do to finalize the agreement with the four communities affected.

Mr. Allchurch: — Thank you, Deputy Minister. Madam Minister, I know our time is running out. I have a Canoe Lake Cree First Nation Council resolution regards to this and it says:

WHEREAS the Members of the Canoe Lake Cree First Nation has historically shared the use of . . . Traditional Land N-13 Canoe Lake . . . [and] their Non-Treaty friends and relatives;

AND WHEREAS the Canoe Lake First Nation has successfully negotiated the settlement for loss of Traditional Land N-13 Canoe Lake use due to . . . [expropriate] of lands for the creation of the Cold Lake Air Weapons Range;

AND WHEREAS the Members of the Canoe Lake First Nations understand and agree that those . . . [of] whom they have shared . . . [with] Traditional Lands N-13 Canoe Lake were also impacted and suffered hardship due to the creation of the Cold Lake Air Weapons Range;

THEREFORE BE IT . . . RESOLVED THAT the Canoe Lake First Nation agrees with and supports the position that all . . . [of] the bulk of . . . [the] Economic Development Funds released by either government must be targeted to benefit [the] communities of Canoe Narrows, Jans Bay and Cole Bay in which the survivors on the above list and the vast majority of the descendants of the above currently reside.

Madam Minister, had you received information from the Canoe Lake First Nation's Council resolution in regards to the \$19.5 million coming to that area?

Hon. Ms. Beatty: — We haven't as a department received recent correspondence from the Canoe Lake First Nation that we are aware of anyway.

Mr. Allchurch: — Okay. Madam Minister, this was August 17, 2005. I haven't got any more information regarding that but they asked us to bring it to your attention because there are many people that were affected by the bombing range and they feel that they are left out of this. Will the minister be in contact with them and will she go to bat for them as they feel that they are not in this process?

Hon. Ms. Beatty: — Mr. Chair, I will follow up with that, with the Canoe Lake First Nation.

Mr. Allchurch: — Thank you, Madam Minister, I appreciate that. And would you cc copies of that to the critic for Northern

Affairs also.

Hon. Ms. Beatty: — Mr. Chair, I will keep you informed.

The Chair: — Mr. Allchurch, it is now gone to the hour that we are to switch over to . . . So do you have a final question? I'll allow that.

Mr. Allchurch: — Thank you, Mr. Chair, Madam Minister, and your officials. I want to thank you for the northern officials to coming down again tonight and answering the questions. We went through a lot of questioning and I appreciate the answers. Thank you.

The Chair: — Thank you, Mr. Allchurch. Madam Minister, thank you for your time and to your officials. We will now take a short break while we switch over to the next item of business which is vote 25, the First Nations and Métis Relations, Mr. Sonntag. Thank you very much.

General Revenue Fund First Nations and Métis Relations Vote 25

Subvote (FN01)

The Chair: — We'll reconvene the committee. The order of business before the committee this evening is vote 25, First Nations and Métis Relations, the Hon. Mr. Sonntag. Mr. Sonntag, would you please introduce your officials?

Hon. Mr. Sonntag: — I'd be happy to do that, Mr. Chair, to committee members. Seated immediately to my right is Nora Sanders, the deputy minister; to her right is Laurier Donais, director of finance and corporate services. And to my left is Richard Gladue, assistant deputy minister. Behind me, give a little wave, somewhere is Trisha Delormier-Hill, executive director of lands and resources; Giselle Marcotte, director of Aboriginal relations, way over there; Doreen Bradshaw, director of Aboriginal employment development program. There she is. Rob Spelliscy, director of gaming trust and grants, back here; and Jennifer Brass, executive assistant to the deputy minister, right there.

The Chair: — Thank you, Mr. Minister. Do you have any opening remarks?

Hon. Mr. Sonntag: — No, I don't.

The Chair: — Ms. Draude.

Ms. Draude: — Thank you very much, Mr. Chair. Mr. Minister, and to your officials, thank you for your time this evening. I'm sure we'll have an opportunity to discuss a number of issues again. I'm going to start with . . . Last time we had an opportunity to talk about this program, the First Nations and Métis economic development program. You'd indicated that last year there was \$196,700 went back to the General Revenue Fund. We also talked about the money that didn't go to MNS [Métis Nation of Saskatchewan] this year and last year because there basically isn't an MNS in place.

Can you tell me how much money went back to the General

Revenue Fund that would have gone to the MNS?

Hon. Mr. Sonntag: — If I'm understanding your question correctly — correct me if I'm wrong — none of the funds went, none of those extra funds went back into the fund.

Ms. Draude: — Thank you, Mr. Minister. I guess I was just trying to establish that there was some money last year from the economic development fund that had to go back to MNS because it wasn't spent. I'm wondering if the same thing happened to the money that would have gone to the MNS had it been in place. The documents that I asked for and I received earlier today — thank you very much — indicates from my addition that \$379,630 was spent out of the money that would have gone to the MNS, not the 410. I'm wondering if the difference in those two amounts went back to the General Revenue Fund, or if they stayed within your department.

Hon. Mr. Sonntag: — No, it just stayed in the department. It did not go back into the General Revenue Fund. We tried to spend as close as we could to the 410 back into Métis communities and organizations. We weren't going to simply ensure that we spent the full amount simply to spend it but it stayed in the department for other things and in some cases it would have gone to First Nations. The smaller one that's left, I suspect, would have gone to different First Nations organizations for things like powwows and stuff like that.

Ms. Draude: — Mr. Minister, if MNS would be up and running at this time and the money would have gone directly to them, would this money that was given out, this \$379,630, would it have gone through the MNS or would it have gone from your department from another area of spending?

Hon. Mr. Sonntag: — Other than CUMFI [Central Urban Métis Federation Inc.], it would have gone through the MNS.

Ms. Draude: — So the MNS would have spent . . . like I see a couple of disbursements to the FSIN [Federation of Saskatchewan Indian Nations] for elders retreats, for youth retreats, for hosting a conference on Only A Matter of Time: An Environmental Approach to Sustaining Mother Earth, to co-hosting First Nations Centennial Cultural Celebration and Pow Wow. Would the MNS have paid for FSIN functions?

Hon. Mr. Sonntag: — I should maybe get my deputy to get into this a bit but that's different. Those are different funds you're talking about. Those are the other grants.

Ms. Sanders: — I think I can be. I think what we tried to provide in order to indicate how the Métis funding was spent, was money that was spent specifically on Métis. And then because that didn't add up to the full amount, we also included the list of other grants, many of which were for Aboriginal projects that could be for Métis or for other Aboriginal people. And so included in that list would be ones that were specifically for the FSIN. But I think if we added all those up, we'd be much beyond the amount that would specified for Métis normally.

Ms. Draude: — My question had been, if the MNS had received all their money, then what portion of this money that you had given to me today in this list, adding up to 379,630,

would have come from your department from another fund?

I guess I could ask the same question by saying, two years ago when the MNS did get the money, would organizations like the FSIN, like Fireweed Production that received \$30,000 . . . What else can I notice here? First Nations University of Canada; Saskatchewan's Aboriginal Women's Circle; another FSIN program, quite a few of them; Saskatchewan towards offering partnerships to violence — that type of thing — that would have come from your department through another budget, I would imagine?

Hon. Mr. Sonntag: — I think in most of the examples that you have just cited, we would have provided funding for those. Those are separate and apart from the 379,000 that you had earlier referred to. So what I'm answering is the different initiatives separate and apart from the 379,000. Most of those initiatives we would have funded ordinarily through our regular budget.

In the 379,000, the only funding that we would not have provided is the 25,000 to the urban management authority, through that 379,000.

Ms. Draude: — So then the MNS would have provided funding to at least four FSIN events that I see.

Hon. Mr. Sonntag: — No, I'm sorry. You're misunderstanding me. Those funds to those four different events you're talking about, we get requests all the time from different organizations, whether they be Métis or First Nation, for different cultural events. The events that you have cited there would be outside of the, what I would describe the \$410,000 package, if you will.

We would quite often fund those anyway. And we continue even now to get requests for those in 2006, and in some cases we fund and in other cases we don't.

Ms. Draude: — Thank you, Mr. Minister. For the last couple of times we've had an opportunity to speak and we've talked about this money. I had been under the impression that most of the money or all of the money, that \$410,000, was spent on Métis issues that probably just came directly through your department rather than going through the MNS.

And now when I look at these, I would think that there would be a lot more of this money would have had to come from your department had the MNS received their \$410,000. So the MNS, the Métis people of Saskatchewan, lost a lot of money then because the money wasn't all spent for their issues. It was spent for other issues as well. So I guess I'm going to ask you for your comment on that.

Hon. Mr. Sonntag: — Well in my estimation you're absolutely right. We've spent just in . . . I look at this summary and we've spent 79,165 in the Métis consultation panel which could have gone to Métis businesses or organizations. We've spent just over 10,000 there on a contract for consultation on electoral issues. We've spent another 14,000 to a law firm.

So there's over \$100,000 related just to trying to sort out the Métis election issues alone that in ordinary years would have flowed through the MNS and gone directly to different Métis

organizations to improve the lives of Métis people. So the answer to your question is, yes. If we weren't in this situation I think Métis people would be quite a bit better off, even as it relates just to these funds.

Ms. Draude: — The money that you talked about for the consultation for the money given to the justice system, I don't have a copy of that in here. So that's not adding up to the \$379,630.

Hon. Mr. Sonntag: — I guess we've provided that information, I'm told, verbally last time. You're right. I thought it was referencing the document that was provided to everybody. But if not, we've provided that information and I'm sure we can again if you'd like us to.

Ms. Draude: — Thank you, Mr. Minister. I would appreciate it because I am trying to figure out how much money was spent for First Nations, for Métis people, and I guess we're working off different numbers. So until we're singing from the same song sheet I guess we probably shouldn't talk about this issue.

I'm going to probably come back to this if we have some time, but I want to talk to you about two issues that I've been getting a lot of calls about and I'm sure you are too — the fact that METSI [Métis Employment and Training of Saskatchewan Inc.] and AHRDS [Aboriginal human resources development strategy] haven't had their funds, their partnerships renewed with the federal government. Because of that we have under METSI alone 357 students who are not getting their money this month and some of them who are in danger of having to drop out of school.

First of all, has your department been contacted? And secondly, what have you done then to ensure that these students can remain in school?

Hon. Mr. Sonntag: — First of all it's led by Advanced Education. We've been made aware of it, but as it relates to the federal government, if your question was, the federal contacted this department directly, they have not. I do know though that they've talked to at least officials within Advanced Education.

It's a concern about how it will impact on the lives of young Aboriginal people, and we're quite concerned about that. I should probably leave it at that because the rest would be speculation.

Ms. Draude: — Thank you, Mr. Minister. I do believe that you're very concerned about it, and I'm just wondering what your government — whether it's your department or the Minister of Learning — has done to encourage HRDC [Human Resources Development Canada] to ensure that we don't have kids dropping out of school. I know even through SIIT [Saskatchewan Indian Institute of Technologies] that they are very concerned. This program that was signed, renewed in 2005, that was supposed to be able to go until 2009, should have given some long-term security.

And I have made a phone call about it, and I'm sure if the federal government realizes how it's concerning the departments, maybe we could move them up, move them along quicker because we're impacting not just the kids lives today

but their future if they don't get their education finished.

I've had one teacher say that she's trying to find ways of funding the last two months of some kids' courses just so they don't drop out. So I think it's going to take some collective action to ensure that kids aren't falling through the cracks.

Ms. Sanders: — I might just indicate that these are both developing things as we speak, and we are certainly concerned about them. It is the Advanced Education department leading, but we've been trying to keep in touch about that.

My understanding with the METSI agreement is that it's not 100 per cent clear that it won't be renewed but that it hasn't been signed at this point. And there's still work going on at the officials level, trying to find out whether that's a permanent decision or something that needs to be worked out based on accountabilities or something like that.

The other one, which I understand the reference is to the funding that was approved in November last year or agreed to in November last year, and we think under the federal government was not renewed or that the future years or this year it won't be continuing, and again that's in Advanced Education. It's very much something that will be the discussion of, I think, extensive discussions with the federal government.

I understand as far as the METSI funding, that the federal department involved will be looking to see whether there are other carriers that could be used but it's . . . And I also understand that the arrangements are being made for students currently in the system. And the hope is that they won't be affected between now and the end of the school year. But it's equally a concern for new students that would be coming in for the next fall.

Hon. Mr. Sonntag: — I just want to add two points to that as well. Part of it, as I'm advised as well, is clearly the federal budget was a bit later this year, and this funding ran out March 31. So there was an issue just simply of the lateness of the federal budget which caused some uncertainty.

And I think secondly the second issue is, as I referenced I think at close to the end of our last meeting is . . . I'll leave everyone to pass their own judgment. But the new style with which apparently the federal government is operating a bit — where lots of the decisions are made out of the Prime Minister's office — in many of the departments, as the budget is rolling out, are still trying to sort out exactly what the implications of their budgets mean. So that's why again it's taking a bit longer for the different departments, the federal departments, to provide information to the respective provinces and territories.

Ms. Draude: — Thank you, Mr. Minister. Then we'll just hope that it happens quickly enough to ensure that our students are remaining in school.

The last time we had an opportunity to speak it was shortly after the budget. And I know that there was money that was coming to your department, hopefully, that you weren't aware . . . there hadn't been any details given out yet. In my recent conversations I understand that the \$300 million for off-reserve housing that's coming to Saskatchewan is unconditional. Can

you tell me if you have had any recent correspondence with the federal government to understand how that money is coming?

Hon. Mr. Sonntag: — Those funds, I mean the answer, if I had the information, I'd share it with you. But that information will most appropriately come through Community Resources. I suspect they have a bit more information than our department has, although I believe they're somewhat yet in the same circumstance as we are. They still don't have all of the information that they would hope they have either as it relates to the budget. My understanding is that will flow through Community Resources though.

Ms. Draude: — Thank you, Mr. Minister. We'll wait again then to see what's happening.

Mr. Minister, the news release from today — the First Nations and Métis Fund — I listened on the radio. I've heard the number of people from the First Nations and from Saskatchewan Indian Equity and from the Clarence Campeau Fund talking about the importance of it.

And one of the statements that was made by my colleague from Humboldt indicated that we are wondering why it wasn't put through one of the other programs that are in place. And I'm talking specifically regarding the First Nations and Métis economic development program that was introduced last year, and we talked about quite a bit in our last session. Why did you determine that it was important to go through CIC [Crown Investments Corporation of Saskatchewan]?

Hon. Mr. Sonntag: — Well I'll answer the question just because I'm Minister of CIC. This is really for CIC and could be asked in a different format, but it crosses over enough that I would be happy to answer the question.

The First Nations and Métis economic development grant program is a grant program that is administered as well through SEIF [Saskatchewan Indian Equity Foundation], Clarence Campeau Development Fund, and through our department. Twenty per cent of the funds stay in our department for administering. But they're generally very small amounts, up to about 50,000 is I think is it up . . . or is it 100,000 for a tribal council? One hundred thousand for a tribal council, that's the maximum amount. And it is seed money for different organizations and individuals to build business plans, to do market research, all of those sorts of things.

The fund that was announced today is an equity and debt fund. It was identified as a shortfall by both Aboriginal and non-Aboriginal business people in the Premier's centennial economic summit last January in Saskatoon. It was a gap as I say that was identified, where many of the people establishing businesses or expanding businesses have access to capital up to \$1 million generally from the traditional lending institutions.

When you get over \$3 million, there's also generally a fair bit of competition in that area. And there's fairly good access over \$3 million, again from more investor companies and some of the traditional financial institutions, again because a lot of those organizations find that under \$3 million, it's not worth the effort — hard to believe — but it's not worth the effort to . . . There's not enough margins in a small loan unless they start to charge

rates that put them out of the game of lending, if you will.

So the gap that was identified was the 1 to \$3 million gap for investments in capital. Working closely with First Nations and Métis people in the province, it was determined that the best mechanism was to run this through CIC. CIC is simply providing the funding. It's managed through Westcap Management Inc.

Ms. Draude: — I guess this is going through CIC, so I won't ask a lot of specific questions on it. But now that the Clarence Campeau Fund is going to be providing the additional financial resources or management I guess it would be or some of the decision making, is there going to be more people required to work within the Campeau Fund to help make some of the decisions for these?

Hon. Mr. Sonntag: — For the time being the Clarence Campeau Development Fund and SIEF will just simply be working fairly closely with Westcap Management. I think at the beginning there was at least a desire by those two organizations to actually administer this fund. After doing a request for proposal, I think it became clear that neither of those organizations had the capacity to manage funds at this level. Therefore the reason that both of them were involved today was simply in a public way saying that they were going to work closely with Westcap to try to build their capacity to deal with lending . . . not lending, but equity investments in this range, the 1 to \$3 million range.

Ms. Draude: — Thank you, Mr. Minister. I know that these different funds, grants, loans, employment programs are all set up with the same goal and desire in mind. But there are getting to be so many of them you just about have to take a course before you can figure out which one you can apply for and go to. For many of the First Nations people that are trying to see where they can get some help it must be getting ever more confusing.

I know that from previous conversations with yourself, I know that you see your department as an office that's just going to send the calls to different departments. But how are you helping people get through this maze of red tape that's being created every time another program is set up?

Hon. Mr. Sonntag: — Well I'll take this as a pleasant criticism because it wasn't so long ago that it felt to me that everybody was telling me we didn't have anything. So I'm pleased to hear that we've got too many programs now. But I do take your point.

In working with the FSIN [Federation of Saskatchewan Indian Nations], I think for those businesses who are looking for funds in the 1 to \$3 million range there, they're sophisticated enough that they would easily be able to figure out how they can get access to, how they can get access to funds like this and where funds like this are available. There will not be large numbers of First Nations and Métis businesses or organizations that will fit into this group, this category right now — the 1 to \$3 million investment file — but we hope that number grows to some degree. Again I mean I appreciate that it might at times be a bit confusing, but for those who will qualify, this is not at all a complicated hurdle for them to get through.

Ms. Draude: — Thank you, Mr. Minister. I think last time when we talked we'd seen that there was a small increase in the amount of funding that was given but a large increase in the number of people who were working in your department, and I think part of that has to do with the fact that there's, you know, trying to help people go through some of the red tape that it takes either to start a business or to get on a program.

And it is getting . . . I think it's a problem if we're worried about duplication and if we're worried about ensuring that we get productivity and that we're spending every dollar the best we can. So every time I hear another fund coming out, then you're wondering where it's coming from. So I'm bringing that to your attention.

I want to go back to the First Nations and Métis economic development program, and I know that you received a copy of a letter late April from an individual who was . . . as a concerned parent. And I'm not going to use the name because I didn't get approval. But I know that you got the letter as well. And they wanted to buy a ranch and purchase cattle. And he applied for the program, but he didn't qualify for the grant because the grant was for exotic livestock — elk, deer, and buffalo. And their concern was that this program didn't include cattle. It was set up for specialty livestock, which many people in the business right now know is not making a lot of money. Why was the decision made that if you're going to get into the business part of it, it would have to be only specialty livestock?

Hon. Mr. Sonntag: — Well again this is part of the reason we run these programs through . . . You might ask a supplementary question and I suspect you will. But this is the reason we run the programs through organizations like Clarence Campeau and SIEF. They are the people that have the expertise in these areas and will deal with applications like that, and they will make the recommendation about whether or not they should be approved or not.

I'm not probably quite as familiar with the case as you maybe think I am. I have a general recollection. But I think this is the Clarence Campeau Development Fund that dealt with this specific case and recommended that it not be approved. And I should probably have an official answer if it's more specifics that you're looking for.

Ms. Sanders: — Well I could just mention too that it appears that we will have more applications than probably there will be funds to go. So we're working with criteria that are based on some broad goals that were set at the Premier's economic summit last year. Those have been set as the categories. And I think the one, the reference that you've made, is the agricultural area identified as value-added agriculture.

And I think it's because there was a concern when the fund was being established that non-Aboriginal people in business might be put out of business by someone who received a grant through this program to directly compete with them. So it was aimed at supporting Aboriginal people to get into the economy in ways that would add to the economy in their area and rather than in being in direct competition or something.

So we've set out certain guidelines and we're going to be monitoring the demand. We've asked both of the partners, SIEF

and Clarence Campeau, to let us know of the kinds of things that are coming in, whether they can recommend or can't recommend, to get a bit of a pattern. But we certainly think that in this first full year there will probably be more applications than could be funded. So we're expecting to be able to use the money well within the guidelines that are set.

Ms. Draude: — When the guidelines are developed, does your department look at the businesses that are already operating to determine what type of . . . what size of business it would have to be, what kind of criteria it would have to be to be successful? The people that have . . . were talking about this in particular are saying that everyone that . . . the specialty livestock is not an easy area to get into. And if you're just coming back to the farm and trying to get into that, you're maybe just doomed for failure unless you have some backup already. So if there's going to be funding provided to an area, why wouldn't it be something that there is more of a chance you're going to make it in?

Hon. Mr. Sonntag: — Again there's sort of two parts to the answer. In that case that's the kind of analysis that we're looking for from Clarence Campeau. But let me go back to something I said a little bit earlier. The program as with the First Nations and Métis fund, these are some of the things that were identified in the economic summit last January. Many Aboriginal and non-Aboriginal people said that you should focus on the sectors of the economy. I can't list all of the, sort of the six priorities necessarily off the top, but they'd be mining, forestry and forestry development, manufacturing, value-added agriculture, and tourism.

In the specific application that you're talking about, I suspect part of the reason that's not included is that there would be access to funding through many of the traditional lending institutions already for stuff like that. And again I say the rationale for creating the criteria was to stimulate the sectors of the economy where there may not be such easy access to capital sometimes and business plans.

Ms. Draude: — Thank you, Mr. Minister. I'm aware that this program really only started disbursing funds in March or maybe the last week in February this year. And it'll be fall before we actually see, you know, if there's some success stories, and maybe even that's too soon, but to determine whether the money is being spent and if there has to be some changes. So I'm looking forward to seeing what will be happening in that area.

I know the one concern that was expressed is the fact that you have to be living in Saskatchewan and many of our young people have left. So I mean it's difficult to say, come home and work in Saskatchewan if you have been gone for a year or two to try and make a living somewhere else. It would be nice to be able to say, come back to Saskatchewan. You're a Saskatchewan person; you were born here and that's where your heart is. So why are you making it impossible for them to come back? And I'm hoping that's one of the criteria that's looked at to say, we need you home.

I'm going to go now back to the Aboriginal employment development program. I had more questions on some of the releases today, but I understand I shouldn't have brought it up

in this department. It should be under CIC.

The information that I received, was given today, lists some of the people or businesses who received money under the employment program. Now we went into quite a bit of detail about what it did last year so some of my questions have been answered. But can you tell me why something like the SaskTel awards of excellence — which I did attend and there was much to-do made about the fact that it was sponsored by SaskTel — why they would be given money to the Aboriginal employment program? If they have been told and they're telling the world that they are sponsoring this, or hosting this awards night, why would your department be giving them money?

Hon. Mr. Sonntag: — Most of these events would be sponsored by a number of businesses and organizations whether they're public or private sector. And in this case, I suspect they can't find the specific one that you're referring to here. But it doesn't matter even if we can't. The reason it's referenced that . . . because they'd be the main sponsor, SaskTel, and we would . . . Okay, I'm just advised, it was a separate youth award. That's why we had sponsorship.

Ms. Draude: — Thank you. I know that the decisions to make them . . . And there is a considerable amount of money as indicated last time that went out. I think this year it was \$870,000 I believe. That's what the number shows on the back of this list.

I see that there was twice at least where — oh three times — where SAHO [Saskatchewan Association of Health Organizations] was given money which amounted to just about \$100,000. And it seemed like it's a lot of money to go from a department that doesn't have a lot of money to a department that's spending over \$3 billion a year. And we did talk about the importance of ensuring that the workplace is receptive and inclusive of First Nations people, but that does seem like quite a huge percentage of the \$870,000 when SAHO gets 100,000 of it.

Ms. Sanders: — Well SAHO of course is funded through the Department of Health. But this is not specifically for the Health work. This is for creating a representative workforce. They've been one of the very strong partners. And that's an area where it's very important of course to have Aboriginal people in the workforce because they're dealing directly with the public. They're dealing with the broad range of the public and it's important to have Aboriginal people there.

I'm not sure what the point is as far as questioning funding for there. I'm just trying to think it through. But the idea . . . These funds are always developmental. And they're also partially . . . like typically if there's a coordinator being funded, there's \$25,000 given and the employer provides the rest for that coordinator.

So it's something that we use this money to get the other organization, that is the partner organization, to then put their own resources in to add up to what's needed in order to do the work and to stimulate further work in the future. So this is really start-up money for these things.

Ms. Draude: — Yes, out in the world, it isn't government

employees. There's a lot of people, businesses that are looking to hire First Nations or looking for employees period. Skill shortage is an issue in much of the province and there has to be information and knowledge exchanged so that the workplace is ready, whether it's a public workplace or a private workplace.

My point is that out of 800,000 or \$870,000, 100,000 of it went to an organization that is a professional development; they're looking at a certain group of people. There are many of the First Nations people that we were talking about — my colleague was talking about earlier — that are looking for skills and training in areas that probably aren't . . . isn't sitting in SAHO.

So how are you trying to make sure that the manufacturing firms of the world are getting the help that they need to make their workplace as ready for First Nations and Métis people as the public sector?

Hon. Mr. Sonntag: — I think it's fair to say that we have . . . As I indicated the last time we were doing this, going through the questioning, that we certainly want to spend a lot more time focusing on the private sector and providing opportunities for the private sector to sign partnerships as well.

I simply say that there are, clearly there are circumstances where the private sector is ahead of . . . Whether it's municipal or whether it's SAHO as you've identified, there can be circumstances where the private sector is ahead in terms of representative workforce.

I think they're all important but we need to . . . I think it is acknowledged that we need to spend more time working with the private sector now to provide that opportunity to sign partnerships as well.

Ms. Draude: — Mr. Minister, we won't be able to sign partnerships with every private sector business that needs skills training. What we have to do is spend some time educating the general public so that they . . . so that everybody is comfortable.

I looked through this list hoping to find a trucking firm or a welding shop or somebody that's an ordinary person of the day. I didn't say that right either. Somebody who is working in the private sector who goes to work in the morning knowing very well that they have to make enough money to pay their employees at the end of the month, that don't rely on government to make their payroll, that will have to second mortgage their house if they have to if things are in trouble. But they aren't getting the help that they need to ensure that they can get the skilled people they need.

And when I look at this list of \$870,000, I'm thinking that it's targeted towards one group of people. And there's 75 per cent of the people in Saskatchewan are employed in businesses that have less than 10 employees. And we are . . . That's what we've got to be looking at now if we're going to get people into the workplace.

I know last time the minister had indicated that there was I think 2,100 people that . . . I can't remember exactly the number, 2,300 people. There had better be a lot more than that very quickly. I'm aware and I know the minister's aware that within the next seven years 50 per cent of the workforce, the

working-age people, are going to be First Nations or Métis people, and they're not ready. And the firms aren't ready to take them into their workplaces. And it's the job of this department and this government to make sure that it's ready. And if we keep focusing just on the ones that the government's got their fingers on, it's not going to work.

So I'm wanting to hear that you've got a program or that you've got a vision or a plan that's going to change this so that everybody is ready. Seeing it in black and white is upsetting to say the least when I think of the number of young people out in my constituency who won't be looking at any one of these places to work, but they need a job.

Hon. Mr. Sonntag: — Well first of all, given the limited dollars that we started the program with we wanted to maximize return, if you will, for the taxpaying public. We would focus . . . The idea was to focus on larger organizations to begin with so that you could do the most cultural awareness training with the largest group of individuals. Would it be ideal to do one-on-one training with every small business in the province? I think the answer is clearly yes. Having said that, what we're now doing is working with the different chambers of commerce across the province to identify some of the larger private sector businesses and organizations that would have some interest in signing a partnership like this.

So our next step, given the fact that the levels of . . . the budget levels for AEDP [Aboriginal employment development program] have slowly been increasing over the past few years, it now affords us the opportunity to go further out into the field and deal more with the private sector businesses and organizations.

Ms. Draude: — Thank you, Mr. Minister. I guess again I'm going to be hopeful that the next time we talk about this instead of seeing . . . I see two unions here. I don't have a problem with that. But I'm hoping to see a Doepker or a Reimer trucking or one of these other firms that do employ a lot of people but they aren't on this list, and they have to be if we're going to make this happen.

One of the ones that I thought was quite interesting is to offset the cost associated with the northern youth strategic action plan project. Is there a . . . It was \$10,000 was spent on that. Do you have a copy of this? Is there an action plan for northern youth that was . . . some of the costs were offset by this program? Did you get a copy of that plan?

Hon. Mr. Sonntag: — Let me just answer the first part of your question. I hope for many, many years to come that I'll be able to report to you that there's been improvements in the Aboriginal employment development program. We're joined by Doreen Bradshaw. I don't know who's in a large part in the department dealing with this. I'm told . . . My deputy minister, who's got a bit of a cold, was coughing and they couldn't hear your question. So if you'd repeat the question that would be appreciated.

Ms. Draude: — Thank you. I will repeat the question and maybe I'll just rephrase my beginning remarks too. In a year or so when somebody is, from my side of the House is answering questions, there'll be different answers; that's what I'll tell you.

There was \$10,000 given to northern youth strategic action plan project. I'm hoping that that is some kind of a document that was formed to talk about getting youth in the North involved in employment. Do you have a copy of that plan? Is it something that was available?

Ms. Bradshaw: — The funding was actually provided to New North to actually develop that plan. And we expect to receive that shortly, probably by the end of May, that plan. We can't expect it by the end of March, so usually we put it about the end of May when they can hand in, do all the reporting.

Ms. Draude: — Thank you very much. Is it something that will be available to the public?

Ms. Bradshaw: — That's up to New North. Usually our partners can report it themselves. I do not report it for them.

Ms. Draude: — Thank you. Another one of the questions I have is under METSI. There was a payout to offset costs associated with the METSI employment skills training delivered through train-the-trainer program and that was . . . there was \$20,000 given twice for this program. What is the vision and goals of this program?

Ms. Bradshaw: — This program, project was cost shared with Service Canada to enable METSI to develop a Aboriginal awareness program. And this is the developmental costs, so that it would include more Métis information than it has been in the past to provide misconception training. And this is now almost ready to be delivered to people across Saskatchewan. And they will probably focus on a lot of the small business people, organizations across the province. And it will also be . . . [inaudible] . . . generating for them.

Ms. Draude: — Thank you. There is a Métis Employment Training of Saskatchewan Inc. hosting a workshop planned for March 13 to the 15 in Saskatoon for \$20,000. And on March 10 to the 12 there was the same type of training, hosting the third annual Métis education employee youth training for March 10 to the 12. Between the two of them there was \$27,500. Was there any relationship between the two of these?

Ms. Bradshaw: — No. The youth conference was a conference held. There were 120 youth brought in from all of 12 regions — 10 from each region. And there was a two-day youth rally where there was sort of an employment development and economic development programs going on for them.

The other part was where the educators, who would be delivering the misconception training went through a program on how to deliver the training.

Ms. Draude: — Thank you. Thank you. I noticed when I was going through another piece of information today that Wanuskewin Heritage Park receives contributions from, and one of the places was the Métis Employment and Training of Saskatchewan. I'm trying to get this . . . Would you know anything about that or does that go directly through METSI?

Ms. Bradshaw: — I didn't understand the question.

Ms. Draude: — Wanuskewin Heritage Park receives

contributions from a number of different organizations and one of them is through METSI. I'm trying to understand how this would work, that there would be money . . . that METSI would be giving Wanuskewin money when they also get money through various government organizations. I don't understand.

Hon. Mr. Sonntag: — What document are you referencing, June?

Ms. Draude: — The Wanuskewin Heritage Park, their annual return. I was looking at their sources of income. It doesn't say how much. It says they receive economic dependent . . . they're dependent on the contribution in forms of grants from various government entities and donations.

Hon. Mr. Sonntag: — None of the funding would flow out of this department so I can't answer your question.

Ms. Draude: — Okay. Thank you, Mr. Minister. Get my other paper back again. And one of the other questions that I asked earlier last year, and I addressed the question to the minister of DCRE [Department of Community Resources and Employment], was Infinity House in Saskatoon. And that was there was funding received from the federal government on Infinity House. And they cut the funding and they were in danger of closing. And I see that there was \$12,000 given to off-set the costs incurred to produce a sustainable five-year business plan for Infinity House in Saskatoon. Were they able to produce a business plan with money through your department to keep the home open?

Hon. Mr. Sonntag: — We can check. But I think the funding you're referencing flowed through Community Resources. I don't think that's a budget item that we have unless you've got a specific document there that's telling you something different.

Ms. Draude: — No, I know that it did flow through Community Resources and I had spoken to the minister about that. But when I see that your department had provided funding for a group to develop a business plan, I was wondering if part of this business plan would give you an idea if they were able to procure their resources they needed to keep this home open.

Hon. Mr. Sonntag: — I don't think we would have that information.

Ms. Draude: — Thank you, Mr. Minister. There's only one set of questions that I really have left for you which probably will make the minister quite happy. The First Nations gaming agreements, First Nations gaming agreements. I know that there was an increase this year but also I think that there's been considerable discussion with First Nations on the gaming agreements. Can you just give me an update of where the gaming agreements are right now and what . . . the funding?

Hon. Mr. Sonntag: — I said it would depend on what the questions were, you might not like the answer. The gaming agreements are negotiated by SLGA [Saskatchewan Liquor and Gaming Authority] which again is not through this department.

Ms. Draude: — So when I see that there's an increase this year, that is because of an expected increase in gaming revenue I would imagine.

Hon. Mr. Sonntag: — That's right.

Ms. Draude: — And so your department relies on this funding. It'll be given out to the different CDCs [community development corporation] I believe and . . .

Hon. Mr. Sonntag: — That's correct. The trust fund and CDCs, the First Nations trust fund and CDCs.

Ms. Draude: — Okay. Has there been any changes in the agreements with the CDCs in the last year or is there different expectations from them?

Hon. Mr. Sonntag: — No. Fundamentally the answer is no. You will be aware, through the media probably, that there has been some restructuring within the CDCs themselves. As it relates to the relationship between the province and the FSIN and the gaming agreement, there's no change.

Ms. Draude: — And I guess I don't . . . You said that I would be aware through the media that . . .

Hon. Mr. Sonntag: — There's been some quite public discussion about a number of First Nations that have felt they've not been included the way they should've been in the different CDCs, and that's being sorted out at a CDC level and through the FSIN right now. And there was some public discussion about it through the media. That's all I was referencing.

Ms. Draude: — Is the urban First Nations . . . Does the funding go to them at all? Or is there some mechanism to ensure that First Nations living off-reserve get some of this money?

Hon. Mr. Sonntag: — I just was looking for a bit of clarification. Yes, the determination about where the funds go is established by the CDC boards and to a large degree that's where it goes. It goes to . . . It is urban funding and that's been a bit of the debate. But I think it's probably fair to say that generally most of it does go to urban organizations.

Ms. Draude: — Mr. Minister, your department deals with the FSIN and with MNS when the organization has a leader. And does Saskatchewan's congress of Aboriginal people, are they active? Do they have a leader in Saskatchewan?

Hon. Mr. Sonntag: — I think it's fair to say that our department doesn't have a formal relationship with them at all, no.

Ms. Draude: — Does your department have a formal relation with the group that is considered the urban First Nations people?

Hon. Mr. Sonntag: — I think only through their specific First Nations that they belong to and through the different, I guess community-based organizations that would represent those individuals in different ways but not specifically I think in the way that you're asking the question.

Ms. Draude: — This convention or conference held every year in Regina, it's really put on by the urban First Nations. And I'm wondering what kind of relationship your department has with

that organization?

Hon. Mr. Sonntag: — Yes, no formal working relationship at all with them, no.

Ms. Draude: — As Minister for First Nations, the issue that most . . . we hear about most from the FSIN and many councils are the housing issues. And I know that through this latest budget there's an amount of money given. Are you . . . Is there any kind of a plan being developed within your department to deal with the housing issues or the housing money that may be coming from the government, from the federal government, or will it be given through DCRE or another department?

Hon. Mr. Sonntag: — Yes, none of that will flow through our department at all. I mean we're acutely aware of the issue, the housing issues both on- and off-reserve for First Nations people. And the centennial housing initiative was a fairly large initiative that aided to a large degree First Nations and Métis people who were in desperate need of housing. But as it relates to the housing dollars themselves, no that doesn't flow through our department at all.

Ms. Draude: — Does your department keep track of what is considered to be the housing shortage within the cities?

Hon. Mr. Sonntag: — Again the Department of Community Resources would do that.

Ms. Draude: — Is there ever any thought that just because a First Nations person wouldn't necessarily have to be under Community Resources but there would be low-income First Nations who would be requiring housing as well. How is your department ensuring that all First Nations whether they're under DCRE or not are . . . have the availability of housing to ensure that they can reach their potential? People need the housing whether they're on-reserve or off-reserve to ensure that they can get to work in the morning and have an acceptable standard of living. Are you looking at the issue?

Hon. Mr. Sonntag: — In answer to my last question, I was really speaking directly to the issue of the funding and where the dollars are. But as it relates to the issue generally, our department works with, first of all, Community Resources but also with the FSIN and not recently, but to some degree, with Métis organizations to help identify the areas where there's the greatest need and to work with different levels of government to ensure that people have access whether they are recipients of any kind of income support or not.

And I mean I think the point you make is important. We don't want to only help people that have just fallen into the need of social supports. We want to make sure that we provide independence before they get into that circumstance, and that's part of the reason we work actually fairly closely with the organizations. But as it relates to the funding, it doesn't flow through our department at all.

Ms. Draude: — I think in order for the federal government to make some of the decisions that has to be made, they're going to have to have input from the provinces and especially from Saskatchewan with the demographics that we have. And to show the needs that we have in this province, it's going to

require somebody taking the numbers.

The FSIN is very clear that they believe that treaty rights are portable and that they go with them when they're off the reserve. But at the same time when they come off the reserve, when First Nations come off the reserve, they don't feel like they have those rights and many times they really are living in poor conditions. So I'd be hoping that along with the chief of the FSIN, that there is a common voice going to ensure that First Nations do have the housing that they require.

Hon. Mr. Sonntag: — Well this is one of the major issues identified at the Kelowna accord in Kelowna and why the accord, I should say, the accord was signed by all of the different jurisdictions across the country. And as I say, there were significant dollars committed for housing at that time. And we all hope that in one way or another those commitments are eventually honoured. I'm a bit concerned right now, but I guess we'll have to wait and see.

Ms. Draude: — The money that was committed for off-reserve housing for this year I believe is higher than was indicated in the Kelowna accord. So it's a matter of waiting to see how the money comes. And then I'm hoping that this government is ready to use the money quickly because the need is quick.

The other issue that I wanted to bring up is the fact that when — it didn't matter which group I've spoken to — when it comes to ensuring that First Nations and Métis people are able to get the skills and training they need, is that often besides housing, transportation is an issue. And we have people like Mr. Pringle telling you that one of things that should be happening is in the city there should be bus passes somehow working so . . . available so people who can't afford the daily pass would still be allowed to get to have the opportunity to get to work or to train. Is your department working with any organization, cities, somebody to ensure that transportation is not a hindrance to getting a job?

Hon. Mr. Sonntag: — We wouldn't have done anything specifically through our department as it relates to that issue. I mean all I can say generally, whether it's a issue of transportation or housing or health care, our department again, as I say, acts as a single window to move people and Aboriginal organizations to the different departments within our government or to, in lots of cases, to the federal ministries to ensure that they have access to those sorts of things. We deal with municipal governments on things like, I guess, transportation as well sometimes.

Ms. Draude: — Mr. Minister, in an area not too far from where I live this year, in the flooding area, there was many of our First Nations people that were taken off-reserve from Red Earth, that moved into Prince Albert in most cases but some into other areas and for an amount of time. Was your department called on to do any of the work at that time and pay for some of the costs, not just for transportation, but for ensuring that these people had food and the necessities while they were away from home?

Hon. Mr. Sonntag: — It was essentially, the example you just provided, was essentially . . . it will be funded almost exclusively by the federal government, but it was coordinated through the Department of Community Resources.

Now having said that, myself as a minister, quite often I'm the person that would be contacted by a specific First Nation. In this case they did that as well. Our department, deputy minister, and senior officials were I think on a daily basis in contact with the chiefs and vice-chiefs and the Prince Albert tribal chief as well, as well as with Grand Chief Bird, just to ensure that wherever coordination needed to take place, we were making ourselves available.

But for the most part it was looked after almost exclusively through Community Resources, and the funding from the federal government will be flowing through them. We'll sort that out as time goes by.

Ms. Draude: — Mr. Minister, again I think that it's disappointing, and it sends the wrong message that whenever there's something like this that is an emergency for First Nations, it goes through Community Resources. That, to me, just because somebody has an emergency doesn't mean that they are in need to get money that is seen as welfare. I think there's a time when your department, who is representing or takes responsibilities for Aboriginal people, should be stepping up to the plate and showing that it's not their fault, that they aren't in need of help just because they . . . for something beyond their control.

One of the most important things we have to do in this province is to ensure that First Nations are respected themselves and they are respected by other people. And to think that they would have to have help through Community Resources I think sends the wrong signal. So if your department was in touch with Chief Bird and with the chief of PAGC [Prince Albert Grand Council], that would be the message that should be sent to the general public, not that they needed Social Services because they had a problem in their homes.

I think this is a common theme that I've been trying to say for the last couple of years — if there's a responsibility by this department to look after a group of people, then it should be done. It shouldn't be sent to someone else. So I'm hoping that your department will be the one that steps up to the plate and says, this is the people that we're looking after and we're representing. Has there been any thoughts on why you wouldn't take responsibility for this?

Hon. Mr. Sonntag: — It was simply an issue of manpower, if you will. First of all, I mean I've identified that Community Resources was the main organization that dealt with the delivery of the services on the ground in Prince Albert and Saskatoon. But there was also Corrections and Public Safety and also the Department of Environment also were actively involved.

And I think the main reason Community Resources was the lead on this was that they had many of the individuals . . . And by the way the city of Saskatoon and the cities of Prince Albert were also very, very involved. When I visited several times in Saskatoon, the Salvation Army was doing lots of work there as well.

The main reason Community Resources was involved, as far as I am aware, is that they simply had the bodies there with the experience to deliver and had the capacity to deliver the

services to individuals on a very short, on a very short notice. People were very good about being prepared to volunteer in fact their Easter weekend by providing bedding and clothing. This wasn't about providing social assistance. This was simply ensuring that people had a place to sleep and to eat. And that was pretty much it.

Ms. Draude: — Mr. Minister, that's what Saskatchewan people are really known for. It doesn't matter who they are or where they are, they're willing to help, and help everyone. And I guess that's what I'm trying to say is that non-Aboriginal people were quite willing, able, and wanted to help everyone. And we have to send that message, that that is what we're going to be doing.

I just have one other question, I hope, for the minister. I probably only have one if the minister gives me a good answer, and I probably will have only one more question.

Mr. Minister, the big issue is ensuring that our First Nations, our Aboriginal people are ready for the workplace. I know that the federal government has been giving money for skills, for skills training for northern and Aboriginal people. It probably goes through other departments, but there still has to be some coordinating body that ensures that we're keeping track of . . . we have baselines and we're keeping track of progress; that we're ensuring that education, high school diplomas rate is increasing; that type of thing. And I would imagine the minister knows this but I'm going to put it on record.

When Grand Chief Merasty was in PAGC, believe he told me in 1997 the school graduation rate — it was 1998 — the school graduation rate was about 38 per cent. In 2003 it was 94 per cent. And that is because that was the focus, that was the importance to their people and to ensure that the graduation rate increased so that we could have . . . so that those young people could be ready for the workplace and making the lives that we all want.

I want to know what your department is doing with the same type of vision and foresight and to ensure that we're going to do that all over the province, that we're working with the FSIN, with the different tribal chiefs, with people to ensure that people are ready to work together. What is your department's goal in this area?

Hon. Mr. Sonntag: — Well I think from the many meetings we've had, again with First Nations and Métis organizations, a number of the issues that you identified, housing would be the number one issue and the number two issue of concern for them would be training. This followed closely by infrastructure, roads, and things like that into their communities.

One of the things we do is identify for the rest of government — our own government and federal governments — the need to prioritize. And as a result I think it was . . . I'd like to think, I should say, it was as a direct result of our government working with the different First Nations. And in this case, in this year's budget, we announced almost \$1 million buying I think it was, to the best of my recollection, 83 seats I think it was at SIIT, that we hope will do exactly what you're saying we should be doing.

The Gradworks program within Crown Investments

Corporation is another initiative that I think speaks to a large degree around your concern, where we look to find the best and the brightest young Aboriginal people in different areas around the province and bring them into the public sector and provide them some terrific opportunities.

And I think programs like we announced today, where expanding Aboriginal businesses creates opportunities for young people to be trained and work, I think all of those things together say that we do have a vision about ensuring that we have every opportunity provided for young Aboriginal people in our province. And I guess I'd close by saying I think we're headed in the right direction. We all acknowledge we've got lots to do yet though.

Ms. Draude: — Thank you, Mr. Minister, and thank you to your officials. And I agree that we have the same goal, but I agree we probably would not get there the same way. We'll take a different road to get there, and I hope it won't be long before I'll be able to show you which road we'd take. But in the meantime, thank you to your officials and to yourself for the answers this evening.

The Chair: — Mr. Minister.

Hon. Mr. Sonntag: — I as well want to thank the officials for being very helpful through all this and thank the opposition for their very good questions. Thank you.

The Chair: — Thank you. Ms. Draude.

Ms. Draude: — I'd like to move that we adjourn.

The Chair: — The member has moved the committee adjourn. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — The committee now stands adjourned.

[The committee adjourned at 21:20.]