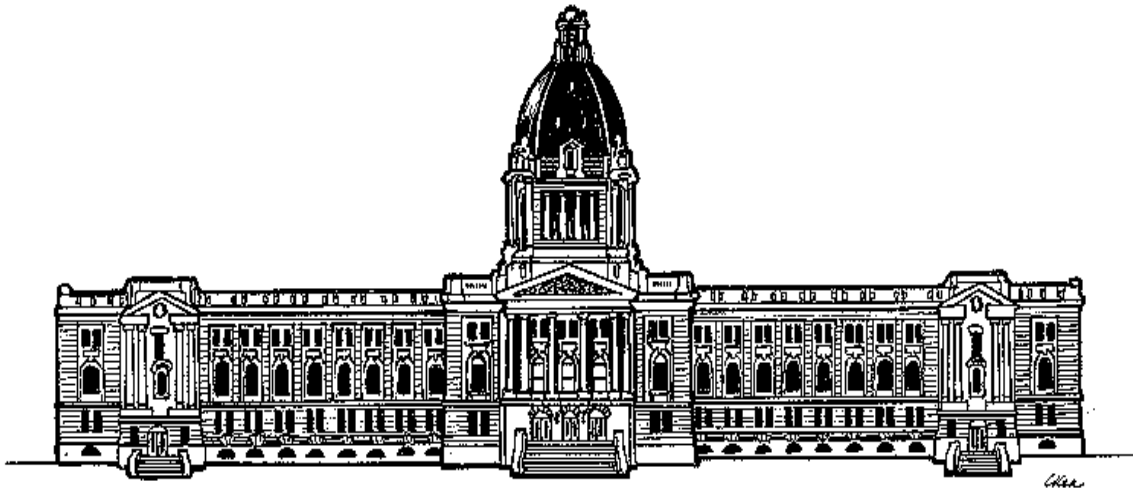




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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Legislative Assembly of Saskatchewan

Twenty-sixth Legislature

**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND JUSTICE**

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Mr. Trent Wotherspoon
Regina Rosemont

[The committee met at 15:00.]

**General Revenue Fund
First Nations and Métis Relations
Vote 25**

Subvote (FN01)

The Chair: — Good evening, ladies and gentlemen. It being hour, the Standing Committee on Intergovernmental Affairs and Justice is opening for questioning. And I would ask the minister to introduce her officials and give us an opening remark if she so wishes.

Hon. Ms. Draude: — Thank you very much, Mr. Chair. We appreciate the opportunity to be here today. I'm pleased and honoured that I was given the responsibility to be the Minister of First Nations and Métis Relations, and that includes the northern part of our province. I also appreciate the fact that I have a number of officials that are working diligently to work in the same direction, to work with us to make sure that First Nations and Métis people have their rightful position here in Saskatchewan.

I'd like to recognize and to introduce a number of the officials. With me is Ron Crowe, the acting deputy minister of First Nations and Métis Relations. I also have John Reid, the assistant deputy minister; Kerry Gray, director of finance and corporate services; Anita Jones, executive director of northern economic programs and policies; Seonaid MacPherson, executive director, consultation; Susan Carani, director of lands and resources; Giselle Marcotte, assistant executive director of Aboriginal policy and operations; Jennifer Brass, executive assistant to the deputy minister; and Mark La Rocque, assistant director of strategy planning and policy.

It's a pleasure to be here representing the estimates for the first time as Minister of First Nations and Métis Relations. Before I get to questions, I'd like to provide some very brief opening remarks.

2007-2008 was a very busy and productive time for the ministry. We are working very hard with the Federation of Saskatchewan Indian Nations and the Métis Nation of Saskatchewan to continue to build a strong relationship. We're working with all of our partners to organize a round table on the duty to consult in May.

We've signed the Treaty Land Entitlement Agreement with Sturgeon Lake and Muskoday First Nations. Three more TLE [treaty land entitlement] settlements are in the works: George Gordon, Pasqua, and Sakimay First Nations.

The Aboriginal employment development program continues in its steady pace to sign new partners in its quest to boost the employment of Aboriginal people in our province. We now have 84 partnerships.

I believe the key challenge of the last few months was the merger of Northern Affairs with First Nations and Métis Relations to create the new ministry. The amalgamation is a good fit. The issues and the fact that 85 per cent of the people in

the North are either First Nations or Métis gives us an opportunity to work very well together. The new ministry is an effective way of addressing northern and First Nations and Métis issues that are so important to sustaining the economic growth of our province.

The Northern Affairs division of the new ministry will continue to serve the northern administration district that covers the northern half of our province. As many of you know, this area is different from the rest of our province in a number of ways including geography, history, culture, and demographics. We know that there are challenges in the North in terms of the socio-economic conditions and limited infrastructure, but we also know that this area is rich in resources and people and represents opportunities for future and sustainable growth.

I am very much looking forward to our first full year together as a new ministry. For this first year we have a budget of approximately \$70 million that represents a 22 per cent increase over last year, and most of that money is related to gaming money. I'm very pleased that the lion's share of our budget — 87 per cent — ends up back with the First Nations, Métis, and northerners in our province.

The goal of the new government is to maintain a balanced budget. All our ministries and government agencies did their part to help achieve that balanced budget. First Nations and Métis Relations part included some reductions. As an example, the amalgamation allowed us to address certain duplications such as two deputy minister's offices. We've also sought efficiencies in focusing on our administrative supportive requirements in the new merged ministry.

The ministry has handled all its reductions efficiently and prudently in a way that has allowed us to sustain our important core programs and build on our priorities. For example we've retained the commercial fish freight transportation, a limited price support program that's important to the continued viability of commercial fishing in so many northern communities but reduced its budget by \$100,000 to better effect the actual level of use of the program.

Similarly we continue to offer commercial loans from the Northern Development Fund but reduced the related loan loss provision for such loans by \$100,000 again to better effect the actual level of use of that loan fund. Funding to our First Nations and Métis economical development program was reduced, but you will note it was extended for a year so there's actually no loss.

Mr. Chairman, while doing our best to ensure our government was able to deliver on its balanced budget promise to the people of our province, we received a significant increase to key First Nations and Métis Relations-led initiatives.

Our new government believes the legal duty to consult with First Nations and Métis people is one of the most important obligations we face, and we're committed to working together on this file. We are very aware how vital this issue is to First Nations and Métis people and how upset they were when they were not consulted in the development of the previous government's approach.

I am very pleased to say this year's budget included a 50 per cent increase for government consultation with First Nation and Métis people on the issue that impacts treaty or Aboriginal rights. This means a jump from 2 million to \$3 million, and it will allow us to provide more financial assistance to First Nation and Métis organizations as they get ready to participate in various consultations.

I'm also very pleased to say that the budget included \$200,000 for the consultation round table in May. This is in addition to the \$150,000 to the Federation of Saskatchewan Indian Nations and the Métis Nation of Saskatchewan as they were each provided with money in the last fiscal budget to help their preparations for our round table. First Nations, Métis, industry, and all levels of government will gather to talk about the issues related to the duty to consult, and I am very much looking forward to that table. It's a first step towards building a sound consultation policy that includes and respects First Nations and Métis interests and rights. The round table will pave the way for the First Nations and Métis people to further share in Saskatchewan's economic growth.

Initiatives such as our FSIN [Federation of Saskatchewan Indian Nations] bilateral protocol and the Métis bilateral and tripartite processes, the First Nations and Métis women's initiatives, the north regional development corporation's support program, and northern Saskatchewan's environmental quality committee programs continue unchanged. The latter ensures northerners have a clear window into the operations and the future development decisions of our northern uranium industry through which they are able to provide input to the company and government decision makers.

As well in terms of further examples, I can assure committee members that we are retaining other key programming in the North. For example, we continue to provide business support grants as well as our counselling support services to northern entrepreneurs.

I am truly looking forward to building on our relationships with our partners right across this province. And I thank you, and I'm looking forward to answering questions.

The Chair: — Thank you, Mr. Minister. And questions will . . . which one of you gentlemen is first? First we will have Mr. Belanger.

Mr. McCall: — Actually, Mr. Chair, I'll take the lead if you don't mind.

The Chair: — All right. I guess Mr. McCall.

Mr. McCall: — Thank you very much, Mr. Chair. I guess first off, greetings to the minister and the officials. We've got some very important work to do, and we respect the work that you do. And of course we're here to see that, in terms of the resources that you've got to do that work, how they're being allocated, and perhaps to have a discussion about the adequacy or inadequacy of those resources and goals and what have you.

I guess first off I've got a number of global questions that I wouldn't mind getting out of the way, Mr. Chair, if I could. It deals with the newly amalgamated department in total. After

that I've got some questions that more specifically relate to First Nations and Métis Relations, and my colleague, Mr. Belanger, has some questions that relate to Northern Affairs. And with your grace, we'll proceed as such.

The questions I have deal with human resources, and if the officials and the minister don't have the information here, perhaps they can take note and then supply the information to the committee. But the first question is, how many employees have been terminated since November 21, 2007?

Hon. Ms. Draude: — There was actually one employee was terminated as a result of the transition.

Mr. McCall: — In scope or out of scope?

Hon. Ms. Draude: — With the merging of the Northern Affairs and First Nations and Métis Relations and the related budget implications, there was a reduction of actually 15 FTEs [full-time equivalent] across the ministry. The reduction was managed through a combination of initiatives. There were nine vacant positions that were eliminated. Two individuals were offered and have accepted reassignment of duties within the ministry. One individual was offered the option of reassignment or severance, and one individual was offered a severance package. Two FTEs were transferred to other ministries.

Mr. McCall: — Okay. Could you characterize, perhaps in broad terms, the duties and the work that was attached to those 15 positions?

Hon. Ms. Draude: — Thank you. I can. There was actually five that are no longer in the minister's office. The deputy minister and assistant deputy minister's office, there was a minus four. Finance and corporate services is minus two. Communications is one, and a half a position within Aboriginal employment development and lands and resources. And then there was one in northern economic and sector developments and one in northern mines monitoring.

Mr. McCall: — Of the positions that may be in the position to ask for severance, how many severance packages have been offered?

Hon. Ms. Draude: — There's been four severance packages offered.

Mr. McCall: — How many of those severance packages have been signed?

Hon. Ms. Draude: — None of them have been completed to date.

Mr. McCall: — Do you have an estimated cost for those severance packages?

Hon. Ms. Draude: — No. The severance offers that is made is based on common law principles and based on the advice from the Public Service Commission and the civil law division of the Ministry of Justice. I'm not prepared to release this amount as this is a matter in negotiation.

Mr. McCall: — But each department books a certain amount in

terms of anticipated costs. I know that the Department of Advanced Education and Employment in estimates was forthcoming with the amount. And I'm just wondering why the minister wouldn't be forthcoming with that same information.

Hon. Ms. Draude: — I'm not sure how many FTEs were under consideration under Advanced Education. But in our case there was four. And because it's such a small number, it's something that will be looked at. We're on advice from the Public Service Commission and the Minister of Justice. It's not something that they feel we should be talking about at this time.

Mr. McCall: — I appreciate the answer. But I was in attendance at the estimates for the Advanced Education and Employment ministry. And if memory serves, the amount that had been booked was 1.2 million for a total of seven positions. Again that's, you know, the number of positions is relatively small; the amount of money is relatively large. And again I don't understand why Advanced Education and Employment would be forthcoming with that information and yourselves, not.

Hon. Ms. Draude: — The numbers that we could be looking at in a ballpark figure have been looked at in our budget 2007 for some of them. And if there's anything further, we can be looking at it in 2008.

We don't want to be influencing any of the decisions that are going on at this time, and I believe that being respectful to the individuals that are involved. We can discuss it when the actual severance package is negotiated. And I'll be pleased to share those figures with you.

Mr. McCall: — I guess, dealing with the term respect, were those firings for cause or were they without cause?

Hon. Ms. Draude: — The firings or the people that are no longer within the ministry, there wasn't cause. But in many cases it was because of the addition of the two ministries, the fact that we had an opportunity to amalgamate ministries and to ensure that the monies that we had in our ministries could be used in a way that we weren't duplicating services. So there wasn't cause for it.

Mr. McCall: — So you would characterize them as redundancies?

Hon. Ms. Draude: — I believe that there was three of them that could be considered the redundancy, and then one to ensure that we, the philosophies of the new government, when it comes to working with First Nations and Métis Relations and Northern Affairs, that there was a combining of the work. And we felt that this, that the people that are no longer with us weren't needed when it comes to working within our new government.

Mr. McCall: — With regards to the assessing the compatibility with the philosophies of the incoming government, how was that assessed?

Hon. Ms. Draude: — I believe that under . . . our new government is talking about growth and how we're ensuring that all of government ministries work together, that we have a common goal, that the very huge opportunities we have in the

North must be, are combined with the work that we're doing overall in government. And there was an uncertainty as to whether people felt that way, whether one individual felt that way. And so it's the kind of work that we do together in this ministry to make sure that we all have the same goal.

Mr. McCall: — So the previous deputy minister Gladue, why was he dismissed?

Hon. Ms. Draude: — Thank you to the member for the question. Questions like this I believe should be answered by Executive Council. These are the decisions that they will answer for.

Mr. McCall: — Well I guess I'm curious, Mr. Chair. The minister has stated that there's a question of compatibility with the growth agenda of the incoming government. The previous deputy minister was the highest ranking First Nations civil servant in the provincial government. He's been dismissed, and I guess I'm looking for more information as to why that might have been.

Hon. Ms. Draude: — There isn't a different response from the one I just gave you, but I'd like to assure you that we have very high-ranking First Nations individuals working in the capacity at this time. We're very pleased with the work that's going on. And I believe that's our job right now is to be looking to the future, and that is what the ministry is doing to ensure that every day we are spending our time looking to the issues that are facing First Nations and the general public, like the consultation table.

Mr. McCall: — I guess I remain somewhat uncertain as to why the . . . And again this is not anything against the current civil servants who, as I'd stated at the outset, have a job to do and some very capable skills to bring to bear in doing that job. But you'd have to understand that it was a fairly interesting signal for the new government to send, to have as one of their first dismissals the highest ranking First Nations civil servant in the employ of the province of Saskatchewan.

I guess I'd ask, does the ministry have any certainty around when the acting deputy . . . or how long the acting deputy premier will either move into becoming the permanent head of the ministry, or what's the process around determining the permanent head for the ministry?

Hon. Ms. Draude: — Thank you very much. And to the member, this is the decision that'll be made by the Premier. And in the meantime, the work that we're doing is what's critical to the people, the First Nations and Métis people in the province. I am the person that is working with the ministry. Having the same goal is what we are doing right now. I appreciate your concern towards the First Nations people that are working with us, but I assure you that we are working very well and that our common goals are ensuring that there is some really good signals sent out to the people that we represent as a ministry.

Mr. McCall: — At the outset in the introductions to the officials, a number of officials were indicated as acting. There's been a reduction of 15 FTEs in the department. I've heard the minister in other settings talk about the important work of First

Nations, Métis Relations, the ministry, that it has to do. And I'd certainly concur with that. And I guess the question I have is in terms of that important work, that important mandate to not just do the work of the ministry but to be that leader within government.

It gives some pause in terms of having a number of critical positions designated as acting when you combine that with the fact of other positions being eliminated and the challenges, as the minister has touched upon, in terms of amalgamating what was formerly its own distinct department. It gives some concern in terms of the capacity of the ministry to get that important work done.

So I guess I'll ask again. When does the minister anticipate having a permanent deputy minister in the Ministry of First Nations and Métis Relations?

Hon. Ms. Draude: — Thank you very much. That decision will be made with Executive Council, with the Premier, and it will happen as quickly as possible.

We've had the honour of being government now for five months, and in the meantime, there has been a large number of issues that we've been addressing with the help of many First Nations people who are respected not just in the ministry but outside as well. We've had the opportunity to meet with tribal councils and with many bands and with the FSIN, and their questions have been the work that we are accomplishing.

I haven't had from the people that we are representing through this ministry . . . Their concern is always, how are you getting the work done? And I'm very pleased to say that the people who are working with me in the ministry right now — and I didn't say for me; I said with me — are ensuring that the message that is going out to the First Nations and Métis people in this province is that we want to work with you.

So when it comes to how we're working within government, maybe we need to organize within the ministry to ensure the people are working in the areas that they like to be working in. Many of the acting positions are assuming higher duties, and there is a strategy under way to bring a certainty to positions.

But I really want to thank the people that are working in positions that aren't considered permanent at this time. I know that everyone is working at their level or higher at all times. We expect a lot from them, and I'm very pleased and proud to be able to say that that what we were seeing through the ministry is that we're having a lot of work accomplished in a short time.

Mr. McCall: — How many positions are acting right now in the ministry?

Hon. Ms. Draude: — To the member, there are eight people right now.

Mr. McCall: — How many of those would be in scope or out of scope?

Hon. Ms. Draude: — We'll do further checking, but I believe they're all out of scope.

Mr. McCall: — Okay, one last question around the dismissals. Out of the severances or the negotiations arising therefrom, have any claims been filed in a court of law with regards to those dismissals?

Hon. Ms. Draude: — Thank you to the member. No, none that we're aware of.

Mr. McCall: — Just jumping back to the acting positions. Is there a strategy on the part of senior management within the ministry to . . . and I guess, you know, that'd be largely self-referential in terms of shoring up those positions. Is there a strategy in terms of getting that consolidated in terms of moving those people from acting positions into permanent positions? And then, you know, is there a timeline attached to that in terms of within the next month, within the next two months, within six months? What's the strategy?

Hon. Ms. Draude: — Thank you. The acting deputy minister is working with a management consultant who will help design these areas. But I can assure you that people may not be in what is considered a line permanent position, but everyone is working towards the common goals, and that sometimes they go above and beyond. And it reminds me a lot of when I first started a business, and even though I had a job, I did another job. And I am so pleased with the way people are working right now when it comes to what we need to have happen in this province.

And that working from . . . things like the first ever feast that was held in this legislature, a traditional feast. I didn't have to ask anybody how they could become involved. They came and helped me and they gave ideas. And it might have been not their role at that time, but I was honoured that they gave me their advice. So there is a goal to ensure that we can get this, the permanent positions in place as quickly as possible, but in the meantime I believe that we are doing the job that the people of the province would like to see done.

Mr. McCall: — For the records, can the minister state the management consultant that's been engaged to help with the human resources work at the ministry?

Hon. Ms. Draude: — Thank you. The Public Service Commission is working with Greg Wensel. I said that backwards, so I will restate this. Greg Wensel is working with the Public Service Commission with us.

Mr. McCall: — When is that contract expected to terminate or conclude?

Hon. Ms. Draude: — Thank you to the member. We don't anticipate going past July.

Mr. McCall: — Thank you for the answer. The minister's touched on the important work that the ministry has before it, and again I couldn't agree more. And I guess that's what gives us in the opposition benches some concern in terms of the making sure that the resources are being brought to bear to get that job done.

And I guess if we could go through a few of the, sort of, global features of the estimates, and I'd like to get the minister's

response in terms of how that bears relation to the priority that the government puts on getting this work done because as the minister's pointed out, certainly people are working, I'm sure, above and beyond capacity in the ministry.

I guess the dominant question I'd have is, why not adequately resource that to get the job done? But I guess the question I have is this. The minister again has stated in other settings that First Nations Métis relations will be the main point of contact, the leader on First Nations and Métis issues government-wide. Is that correct?

Hon. Ms. Draude: — We are the window. But I have to assure you that every ministry within our government is working with First Nations and Métis people and working to ensure that their programming is helping to ensure that everybody is part of our government, for example, the amount of money that's being spent in Health and Advanced Education, more money for social housing through Social Services. All of these ministries are saying, we'll work with you. In fact they involve our ministry in the comments and some of the decisions they're making.

But the money that's being spent and the people that meet with various individuals don't all come from this ministry. They come from right across our government. And I think that sends a signal that our government is working as a total government with all the First Nations and Métis people.

Mr. McCall: — And again, I would certainly hope so. How is this, I guess, you know . . . The question as to the formal structure of this collaboration or this coordination, how does First Nations Métis Relations interact with other departments in terms of both setting goals and then pursuing goals?

Hon. Ms. Draude: — Thank you to the member. I believe that our ministry probably is on more inter-ministry meetings. They have more discussions with the Crowns and with other individuals inside and outside of government than probably many of the other ministries because we don't just stop at one area. We're not just Education. We're not just Health. We're not just Social Services, not just Economic Development. We're everywhere.

So the challenges that we have, not only in my office but within the ministry, is to ensure that the needs and the opportunities, the responsibility that we have are right across government . . . So there are decisions that have been made in the ministry.

But in most cases we want to ensure that the other ministries have the information they need to make sure that we are working together right across our whole government. And I believe that's going to be crucial to making sure that First Nations and Métis people are a huge part of the successful stories that we have in a growing government and a growing economy.

Mr. McCall: — I guess again I agree with the minister's aspiration. But as she points out, Mr. Chair, with regards to First Nations and Métis Relations sitting on a multitude of interdepartmental committees and having that sort of broader function within government, it makes it all the more important that First Nations and Métis Relations has the staff complement

and the resources to adequately meet that task.

So the question I have is that the overall expenditure within the department is up from 2007-08 from 57.7 million to 70.3 million. Is that correct?

Hon. Ms. Draude: — Yes, it is.

Mr. McCall: — Of that number, 14.044 million of that increase results from the gaming agreements which had been signed previous to the election. Is that not correct?

Hon. Ms. Draude: — Yes, that's correct.

Mr. McCall: — So if you take the gaming money increase out of the overall expenditure, that comes to 56.292 million. Is that correct?

Hon. Ms. Draude: — I believe it would be.

Mr. McCall: — As such, if you take the gaming money out of the agreement, that represents a cut from '07-08 to '08-09 of \$1.440 million. Is that not correct?

Hon. Ms. Draude: — That's correct.

Mr. McCall: — Again the minister has stated the importance of the ministry and the work that is set out for it and the critical nature of that work. If that is in fact the case, then how is it that this government has cut the budget of First Nations and Métis Relations and its core function in terms of the imprint of the new government on First Nations, Métis relations? How is it that they've sustained a cut of \$1.4 million?

Hon. Ms. Draude: — Thank you to the member. I think the member knows that \$750,000 in the First Nations and Métis economic development program is actually being spent next year as well, instead of being spent all in one year. So half of that. So it's not exactly misleading, but it's not the same as it looks.

But I want to emphasize that there was \$1 million more put into the consultation opportunities, and that's direct money for First Nations and Métis people to be involved in capacity building. That's our goal of this government — to make sure that economic development and the involvement of First Nations and Métis people in the economy is the way that we will be growing our province. We've also put \$200,000 into the round table.

This is the type of development, the type of relationship that we need to have with First Nations and Métis people so it's not always the feeling that there's a paternalistic attitude that First Nations and Métis people need the government for smaller programs. Of course they do in lots of areas. But in the big picture, in the big picture as we go forward into the future, we need to have our First Nations and Métis people with the capacity and the ability to be involved in the economy in a way that doesn't necessarily mean that every time they turn around they have to come to this government. They need to know what they can be doing in our philosophy as a government, with our Premier stating very eloquently many times that our job is to make sure that we work together.

And that's where our emphasis is going to be, and that's where the work of the people that work with me in this ministry has been for the last five months. They're working diligently to make sure that First Nations and Métis people have the capacity to be part of a growing and sustainable economy.

Mr. McCall: — Well again, eloquence is fine, you know. Admirable goals are fine. But here we're dealing with the estimates and the actual way that goals are backed up by the expenditure of public dollar. And again I guess, you know, how is . . . Is the minister characterizing a cut of \$1.4 million and a cut of 15 FTEs in First Nations and Métis Relations as a good thing? The minister thinks it's a good thing that there's been a cut of \$1.4 million and a cut of 15 FTEs within the ministry?

Hon. Ms. Draude: — No, I guess I nodded inappropriately. I was speaking to one of my officials. What I need to say to you and to the people that there was \$1 million in savings in overhead as a result of reductions because of the amalgamations of the two ministries. \$1 million. That was within this ministry. That was meaning money that this government did not spend within government. It meant and it affected . . . [inaudible] . . . within government.

There was also half of the \$750,000 or half of the 1.5 million that was spent last year on the First Nations, Métis economic development program. Some of that money wasn't spent last year. There was not the thought that we were going to be putting a huge impact on First Nations and Métis people through this program because it wasn't all required last year. It wasn't cut. It's actually going to be spent over two years.

There is also some of the other money that looks like it has been cut is actually the \$100,000 in the Northern Development Fund loan program. And that's really because we were reducing the loan loss provision. So that's not actual cuts that's going to be affecting the First Nations and Métis people.

When I go out on the street and talk to people or talk to the chiefs and talk to their councils, this is not what they're saying. They're not saying that there's a huge problem within our ministry because there was \$1 million cut within personnel and within changing the ministries around. Their question is also, how are you helping us grow and be part of the economy? And that's what we're trying to do.

Mr. McCall: — Well again I find it very strange, Mr. Chair, that a cut of \$1.4 million and a cut of 15 FTEs is somehow cause for celebration in terms of the important work that First Nations and Métis Relations has to do in ensuring and leading the provincial government department-wide, ministry-wide in terms of ensuring that First Nations and Métis people in the province are getting the services and are getting their due from the provincial government.

The minister has raised the question of the First Nations and Métis business development fund. Again she's made some assertions around how the funds were subscribed to or not subscribed to. For '07-08 there was \$1.5 million allocated in that fund, is that not correct?

Hon. Ms. Draude: — To the member, that's correct.

Mr. McCall: — Can the minister or officials provide some information as to the subscription levels for that \$1.5 million. Were there more applications made than the \$1.5 million or less, and can the officials characterize the subscription that was made to that fund?

Hon. Ms. Draude: — Thank you to the member. My official will give you the details of that, but you will see that there was actually less of a subscription for the fund than was available.

Mr. Reid: — Thank you, Minister. The summary, to the member opposite, is that you're right, the budget was 1.5 million, but of that amount we provided 62 grants and 2 contracts which were for the Clarence Campeau Development Fund and to the Saskatchewan Indian Equity Foundation to administer the fund. So the total amount that was spent under that 1.5 was 1,302,457, so \$1,302,457 is what was spent out of the program and that included, as I said, 62 grants.

To break it down if you like, that was 37 grants which I'd call sort of capacity building that we administer to help First Nations and Métis communities get ready for the economy, develop business plans. There's 11 grants including the service contract to Clarence Campeau Development Fund which they administer, and 16 grants for the Saskatchewan Indian Equity Foundation.

One of the reasons why there was an underexpenditure was on the funds provided to the, that we allocate notionally to the Clarence Campeau Development Fund and the Saskatchewan Indian Equity Foundation, they provide the actual assessment, final assessment of what I call the bricks and mortar type business proposals, as to actual cash flow.

And what happened in the case in of the Saskatchewan Indian Equity Foundation, there was a less take-up of the program of proposals that actually met the criteria. They have very rigorous funding criteria in terms of applications and so some of the applications just didn't pass the muster at this point in time. And accordingly they showed due diligence not to recommend them for funding to the ministry, and we didn't fund them.

But they anticipate, in talking to them two weeks ago, that next year there'll be, you know, funding again, probably more take-up. I should point out that in both situations it's the Clarence Campeau Development Fund and the Saskatchewan Indian Equity Foundation that do that front-end analysis and often we, you know, reject proposals because they just don't meet criteria. They're not viable and they'll reject them. And so that's how it works.

The Chair: — Excuse me. If you'd please give your names to assist Hansard to do a better recording.

Mr. Reid: — John Reid.

The Chair: — Thank you.

Mr. McCall: — To extrapolate a bit from the officials' information, is it possible that it was more a matter of process and, you know, working through the procedures in terms of making, getting these funds in the hands of the people that can do the economic development activity? Is it possible that it was

around the process and not so much the actual desire or the uptake out there in the broader community for these economic development funds?

Mr. Reid: — Let me respond to that question. There's certainly a tremendous desire. As you are probably aware, the program was set up by the previous administration that set the ground rules for the program and identified the key growth sectors of the economy, which are now oil and gas, mine, value-added agriculture — those sorts of things. And retail was excluded, so that was an intention to try to focus on just those key growth sectors.

A lot of the communities don't have the capacity yet to get involved in those types of sectors yet. They're working towards it and they're getting better. So there's certainly the interest and the desire. But the reason for the lack of uptake and viability, they're not there yet.

So that's one of the reasons why we were providing some of the capacity-type grants to the First Nations and Métis communities to get ready, to get involved in that economy.

Mr. McCall: — Is the official asserting that the balance of the, from '07-08 to this year, is being reallocated in terms of capacity building?

Mr. Reid: — Some of them were. But again what happened, again because we want to protect taxpayers' money and make sure it's spent prudently and that our partners did as well, some of the businesses that they were considering fell through. They just didn't . . . Because remember, we're not the sole funder. It's a seed fund. And so often they go to banks and to other institutions to get funding as part of a total business plan. And so what happens, that the notional amount we'd allocated for, one of the institutions just wasn't there. Those businesses fell through. And we didn't want to just throw money out the door. We wanted to make sure it was done appropriately.

Hon. Ms. Draude: — Mr. Chair, just to point out, I'm sure that the member knows that, out of the decisions that were made on the allocation of these monies, eight months of the year the decision was made under your, under the previous administration. In fact I haven't asked how much of the money was spent actually under the previous administration, but from the end of November until the end of March was the only time that I was responsible for this part of the . . . for the funding. So I think that probably some of the answers are within the opposition, I believe, within the work that you had done previously. So there are probably some cases where you can answer the question.

Mr. McCall: — Well I guess I'll answer your question with a question, Madam Minister, or for you or your officials, of course. How much of the, and again to recap, it was 1.2 disbursed? Is that correct, Mr. Reid?

Mr. Reid: — Point three.

Mr. McCall: — One point three. How much of that 1.3 million was disbursed before November, or decisions made thereto?

Mr. Reid: — I would have to double-check those numbers. I

don't have them in front of me right now.

Mr. McCall: — Well I guess if you could check that, I'd be grateful because of course you know, asking the question of my colleagues that had direct relationship to this file, the understanding I have is that this was a very well-received initiative on the part of the provincial government and a very critical initiative on the part of the provincial government. And as the minister points out, economic development is of huge importance in First Nations and Métis communities. So the idea that you'd have a \$1.5 million fund, and we'll get the information as to when the decisions were made as to when the 1.3 of that was disbursed.

And again I guess I'd point out, 1.3 million was disbursed, you know, so I don't understand how that then justifies this notion that there, you know, there wasn't the uptake, so we cut it to 750.

Hon. Ms. Draude: — Thank you. Thank you to the member, and I will again remind the member that it was . . . The word can't be cut, because the money is going to be spent. It'll be spent over the next two years. But I do want to remind the member and I know that he is aware of this, is that when the overall decisions are made in the budget about how to spend money, there are decisions made on whether the money should be going into programming or whether it should be going into other areas. And as a new government, education and training was a very important focus of what we're doing.

So under Advanced Education and Employment there was an additional \$1 million given to the Saskatchewan Indian Institute of Technology for additional training funding under the Canada-Saskatchewan Labour Market Agreement. There was \$235,000 more given to the Dumont Technical Institute. There was \$1 million to fund regional colleges for on-reserve programming. There was \$3 million increase for special needs. There was \$1 million given for Aboriginal health and there was money spent within the various ministries to make sure that education, training, and ec dev are available for First Nations and Métis people in our province.

Mr. McCall: — Mr. Chair, if I could request of the minister and her officials, I know that in the wake of the budget the minister was on a CTV [Canadian Television Network Ltd.] news story that aired in the Gathering Place within days after the budget, talking about how information was going to be sent out to chiefs and to Métis locals across the province in terms of the overall government expenditure because the minister was asserting that again the expenditure being made in First Nations and Métis Relations didn't represent the sum total of government expenditure or interest in these files.

So I guess I don't know if the minister has brought that together in a specific leaflet or letter but I guess I would request that if she has sent out some sort of general communications piece to the broader community, if she could table that with the committee for our edification.

Hon. Ms. Draude: — Yes, I will.

Mr. McCall: — Thank you. And again I guess the, you know, I appreciate that there are trade-offs in the budget finalization

process. And I guess the suspicion I have is that what happened to First Nations and Métis Relations is that there was this increase in terms of gaming revenue and as such the rest of the ministry and all the important work that is to be done there and the limited vehicles that were there in terms of putting resources in the hands of First Nations and Métis people to do some of their own work and to have some autonomy in terms of economic development activity to give them some tools to get that job done, that was traded off because there was such an increase in gaming revenue.

And I don't know how otherwise to understand, you know, the fact that the only significant new money in this budget comes from a gaming deal that was signed before the election. And we were quite happy to see that deal concluded, and I know that certain of your officials know that deal from both sides.

And I guess . . . But the broader expenditure and allocation of resources within the ministry again to sustain a \$1.4 million cut and a reduction of 15 full-time equivalents in an expansionary time. I know for sure we didn't get into trading off, you know, if you're going to spend \$1 million on SIIT [Saskatchewan Indian Institute of Technologies], it's going to come out of the FNMR [First Nations and Métis Relations] budget. That certainly never happened around the tables I was privileged to sit at.

So again in terms of the minister's stated goal around working as a window for provincial government on First Nations and Métis issues, and in terms of putting more resources in the hands of First Nations and Métis people to do economic development activity and to secure a greater measure of autonomy and to take a more rightful place in the mainstream of society and economy, I don't understand how that jives with a cut in expenditure and a cut in the human resources that are required to get that job done.

Hon. Ms. Draude: — Thank you. And again to the member, I sincerely believe that his desire to ensure First Nations and Métis people have, can take a really more rightful place in the economy, is sincere. But I don't believe we're ever going to agree on how we're going to do this, and I guess that's what's happened on November 7. The people decided that the way that it was done before isn't what they want to have done now.

Our government wants to have the First Nations and Métis people educated and trained, and business people a part of a growing economy. We don't believe that it necessarily takes more people within government to do that. We know that we need people working together. We're ensuring that, although I may in lots of cases be expecting a lot from the people in this ministry right now till we really resolve some of the issues when it comes to coordination of the two ministries. That was expecting a lot. And maybe I don't often enough appreciate or tell them that we appreciate the fact that they're working together for that.

But overall the goal is to be focused on education. It's focused on training. It's focused on consultation, on ensuring people have the right to become really, truly involved.

There are some things that we probably won't agree on, but I think that in the long run, we probably have the same goal. So I

guess that's probably the only thing I can say. You don't understand what we're doing and I do understand what we're doing, and I believe the majority of the people in the province know that, because they can see that we're working to ensure that people, the First Nations and Métis people are part of the economy.

Mr. McCall: — Okay, so I guess to state the question a different way and then I'll cede the floor for a time to my colleague. Of the important work that the ministry has before it, the minister feels confident and I'm gathering from the tenor of her comments, excited about doing that work with 1.4 fewer million dollars and 15 fewer FTEs.

Hon. Ms. Draude: — I'm very excited about working with First Nations and Métis people who want to be brought up to the table working with government. They don't have to always be answering to us as government. I'm very excited about the opportunities we have as a government to have well-trained people that are available for the jobs that are in an economy that has a shortage of skilled workers. I'm excited about working with a ministry who says okay, we've got a vision here of government that wants to be inclusive.

There are people that are not in a position that were there before because we've amalgamated two departments. We don't have to have two deputy ministers; we don't have to have two in some of the other areas where we had two before. And that was the kind of decision that we made as government and the people know that we do as government because that's our goal.

So at the end of the day if we can say that we have more people involved in our economy, if we have less unemployment of First Nations and Métis people so we can be proud . . . We don't have to look backwards and say, we have a high poverty level on- and off-reserve of First Nations people, that we have a lower education attainment of First Nations and Métis people, I'll be proud of that. And I guess working together with our vision, I'm looking forward to the results in the next few years. Yes, I am.

Mr. McCall: — Well I'll be quite happy to return to more questions for the minister and her officials, but I'll cede the floor to my colleague, the member from Athabasca, for the time being.

The Chair: — Thank you very much. I give the floor over to Mr. Belanger.

Mr. Belanger: — Thank you very much, Mr. Chair, and welcome to the minister and her officials. And I just want to point out that I'm quite pleased to see that there is the focus on First Nations and Métis.

I do wish your I believe it's the acting deputy minister who is of First Nations ancestry, I wish him the very best in his pursuit and I'm quite pleased that the minister has chosen to continue the work begun under the former administration in ensuring that First Nations people are part of the upper management and certainly the top position within the department. And I hope that effort continues because you do have a quality employee there. And certainly from the Métis perspective, I think the Métis community is also expecting equivalent effort to try and provide

more and more Métis people within the higher-ranking positions — in every government department, not just northern and Aboriginal affairs.

Minister, when you began your opening statement you spoke about the past administration was not willing to talk about the whole issue of duty to consult, and that you want to put the focus on that. I would disagree with you on that statement in the sense of, first of all, when we began the process of working with the First Nations, one must understand that despite the debt that this province was in over a number of years — and I want to make sure that it's very clear the last 16 years we've been in power, 14 years of that has been cleaning up a mess left behind by the Tory governments of the '80s. That is clearly what history has shown and quite frankly if we had the opportunity that you have today with the amount of resources and less debt and the booming economy, I can tell you there would be a great amount of opportunity for the First Nations and Métis people.

So I would point out that during the tough times that Saskatchewan had, we were able to, through the Indian and Métis Affairs department, set up what is one of the largest gaming agreements and most successful gaming agreements in the history of Canada. We had large land entitlement processes — I think the amount was a quarter of a billion dollars shared between the province and the federal government — to settle outstanding treaty land claims.

You look at some of the northern development and some of the opportunity in employment and training for First Nations and Métis communities and the incredible amount of money that many of these northern businesses, which were owned by First Nations and Métis people; of how we've almost tripled the amount of business that the northern uranium companies and other companies were doing with the Aboriginal people in northern Saskatchewan. Look at the expansion of SaskTel, of natural gas, of other services that the Crown corporations took under direction from the former administration on making sure the First Nations and Métis communities are part of this province.

Then you throw in the forestry file. It didn't work out well. The forestry industry's in the tank right now, but look at the work done by Montreal Lake, and MLTC [Meadow Lake Tribal Council], and PBCN [Peter Ballantyne Cree Nation]. Like on every front — whether it's gaming, land issues, northern development, services, forestry opportunities — the previous administration despite their mountain of debt certainly made every effort to try and position First Nations and Métis people as best they can.

And I can remember the headlines in the gaming agreement, which is the largest gaming agreement ever set up with the First Nations community and the Métis communities, and as minister of SIGA [Saskatchewan Indian Gaming Authority Inc.] at the time, that negotiated that deal — and it's a 25-year deal — and thus the Clarence Campeau Development Fund was born and other funds were born for First Nations people.

So I think it's got to be very, very clear to the people that may be listening to this. We have nothing to be ashamed of in the history of what the previous administration did. Given the economic circumstance that we were faced, quite frankly we did

what we could, given the resources and time frame that we were put under. Now obviously it's not something that you may share. But I'm not expressing an opinion; I'm just reciting history.

In terms of the actual, the department itself, we're really looking very, very closely at what your ministry does on the duty to consult — very closely. And it's a very complex issue. And I would say to you, Madam Minister, in a most respectful way, that the proof is going to be in the pudding. I appreciate your intent may be pure and it may be very genuine, but we're going to see what happens on many, many fronts when it comes to the duty to consult and many other files that northern and Indian and Métis affairs may have.

And let me give you a couple of examples. First of all on housing on-reserve. As an Indian and Métis Affairs minister, provincial perspectives is, people were saying, we have to have housing on-reserve. There has to be some provincial contribution. And I say today as an opposition member, the question I have for you under Indian and Métis affairs portfolio in your budget, Mr. Chair: is the provincial government, your government, considering investing on on-reserve housing, yes or no?

Hon. Ms. Draude: — I want to start by commenting on the member's lament at the beginning that they had to work with a previous government's debt, and talked about what they would do if they were government.

I think the people of the province spoke very loudly on November 7. They knew the situation of the province, and they knew what the previous government had been doing for 16 years. And they had a huge choice. And they made an overwhelming decision that some of the issues and the incentives and the initiatives that had been put forward — and housing on-reserve is one that I understand that, and one of the last decisions that you yourself made, was to talk about that issue, but never went forward on it — people decided that we want a new administration in Saskatchewan.

We talked about the TLE agreements, and I know that the member knows they were started under the previous Devine government. They were negotiated by the Devine government, signed by the NDP [New Democratic Party] government, but were negotiated by the Devine government. And I'm not sticking up for the Devine government, because the member himself and I didn't come into this legislature under either regime. He didn't come in as an NDP and I didn't come in as the Sask Party. We came in, everyone knows as Liberals. And these are the kind of things that we, the decisions that are made right now. The duty to consult is by far the biggest issue we have, not only in First Nations and Métis Relations but in government. We have a wealth of opportunity, and we must have the First Nations people at the table.

And I truly hope that in your position in the North, not just as an MLA [Member of the Legislative Assembly] but as a Métis person dealing with a lot of First Nations and Métis people, you will influence, go past partisan, go past all that for a while and see what you can do to help make this table work. If you truly believe in this province, you truly believe in the opportunities, then you have a responsibility to work for the best of the

province.

I think that you can truthfully say that never in opposition did we try and do anything to work against the First Nations and Métis people. I think that they deserve the same respect from today's opposition. And working on the duty to consult is an opportunity that will show First Nations and Métis people that yes, the province as a whole cares. So I'm hoping that I can get that commitment from you.

Mr. Belanger: — Thank you, Madam Minister, for your advice. I would point out one of the things that's really, really important is that old phrase that the road to hell is paved with good intentions. I think that's how the phrase goes, with all due respect to language, got to watch my language here. And absolutely that phrase has a lot of bearing to how I perceive and pursue my role as an opposition member.

We need to see that evidence, and we need to see it in spades in First Nations and Métis and northern communities because too often, too often the northern and Aboriginal communities get left behind. When you travel to various communities and you see the conditions of housing sometimes, many times — and we just recently changed that — the pavement ended at the reserve line. And yet you look around at the northern base and the northern lands, the amount of resources taken out of northern Saskatchewan is tremendous — is tremendous.

So we are watching on the duty to consult. It is going to be very, very clear to us what side your government chooses in the event that there is an impasse between industry and the economy and the First Nations and the Métis people. We're going to see which choices that you make on some very significant positions that the First Nations and Métis people will put forward. And it has a dramatic effect on the North.

So you're in the situation where as the minister responsible for both Northern Affairs and Indian and Métis affairs . . . And it's going to be a tough, a tough position you're going to be in. Aboriginal people will not be fooled. They will watch very carefully. They're very, very intelligent. They know exactly what they like to see and that argument is going to be coming to this particular government and to the province very, very quickly, very quickly. And we'll see. We'll see what happens.

I briefly touched on housing, but there's other issues. For example in recent months the federal government has said no to the residential school settlement of, I believe it's Grandmother's Bay and Ile-a-la-Crosse. And during the campaign your current colleague from Meadow Lake, who ran as a federal Conservative, indicated that if he was elected along with the Prime Minister that they would settle the Ile-a-la-Crosse school, residential school and the Grandmother's Bay residential school issue. They would be settled.

And after they were elected, guess what? Both those schools were not on the list. They were not on the list. And today, now the people of the North felt somewhat, somewhat upset over that and there's many, many students went to the Ile-a-la-Crosse school and the Grandmother's Bay school. I think it's Grandmother's Bay.

But anyway, the argument that was made at the federal

government level at the time was that this was a provincially run school or a faith-based run school, that there was some provincial implications here and therefore they didn't have all their facts straight when they made this commitment. And a bunch of people were kind of smiling at that one.

So I guess as the minister of Indian and Métis affairs and Northern Affairs and since this has been largely a major issue for a number of Aboriginal organizations and northern Saskatchewan communities, are you prepared to enter discussions on the whole notion of what the province may or may not have been involved when it comes to the residential schools in northern Saskatchewan that were callously disregarded by the federal government?

Hon. Ms. Draude: — Thank you, Mr. Chair. And to the member, the issue that you're talking about is a federal issue and I know that the member is aware of that. So there isn't a comment that I can make. As their representative in that area, as the MLA, I'm sure that you'll be lobbying the MP [Member of Parliament] in that area and probably the federal government.

But I have to respond to the fact that in your beginning statement you talked about having to choose between First Nations and I'm not sure who you want me to . . . First Nations and Métis and choose. That is the stark difference between the opposition and now government. We don't have to choose. We work together. That's called consultation. That's what you and opposition did not — and government did not — do. There was a consultation guideline book drawn up, where the First Nations weren't consulted.

We are going to build a round table. We're hopefully . . . And I asked you with sincerity that we work together. The only way that we can work together was with mutual respect, respect. We cannot pit First Nations and Métis against non-First Nations and Métis and against industry.

We have an opportunity at the duty to consult table to have people working together so there isn't a choice. The only choice we have as a province is working together to develop our resources so everybody gains.

That isn't a difficult concept. The concept is how can we grow our province, not leaving anybody behind. And there is rights and responsibilities for industry, for First Nations and Métis, and for government. And those are the rights and responsibilities that we will work towards. And if we have the common goal, a common respect, and a common concern, I think it can happen.

Call me a believer in . . . I'm not sure. I'm optimistic. I'm an optimistic person. And I believe that all three groups of people that'll be at that table have the common goal. We can always talk about differences. It's a whole lot easier if we talk about commonalities and see what we can be doing. That's my goal.

And I'm sincerely hoping, as the member for an area of the province where there are huge number of natural resources, that you can say, guess what? We're coming to the table, and we're going to see what we can do to make this work. Please, will you answer me? Are you going to do that, as the member from the area that has a lot of First Nations and Métis people?

Mr. Belanger: — Well, Madam Minister, in your phrase you used the word, if, about eight if not nine times. And the problem that I have is that I'm not asking you to choose between Indian and Métis people.

You're going to have the Indian and Métis people on one side of the equation, and you're going to have industry on the other side of the equation. That's going to happen. I've been in government before, and I know it's going to happen. And then come decision time, based on consultation . . . And you're right. You'll be at the table discussing what issues there are. But there's huge powerful lobbies on both sides of the equation. That's my point.

And it's not, you know, it's not an issue of us all getting together, holding hands, and singing *Kumbaya*; let's build this province. It's not going to happen. There's going to be some major challenges and major decisions that have to be made.

So my point is, when and if that situation occurs, I'm only imploring you to make sure that you follow the words that you have expressed today, that you will position the First Nations and Métis people in very good stead, in very good stead because they will know. And they will know if their intelligence is insulted because as I mentioned, they spend a lot of time and effort to try and ensure that their people are positioned well.

And I think what's also really quite frankly important is that, given the resources that we have as a province now, given the booming economy and the Supreme Court of Canada's duty to consult and accommodate ruling, you have all the tools. You have all the tools.

Those tools we were never afforded the past number of years. We were not afforded that. And the people within your government could try and explain that to me and convince me for the next 20 years — I ain't moving 1 inch. We weren't afforded the same opportunity that your current government has in terms of resources, in terms of the economy, in terms of the framework, and in terms of the participation of First Nations people.

So to answer your question, am I going to advocate that we all build this economy together? Absolutely. Am I going to advocate the fact that there's going to be fair and equal treatment to all the parties involved? Absolutely. But there will come a time when decisions will have to be made, and I'm not the only one going to watch. Going to be a great amount of people are going to watch. So I just want to express that advice to the minister because obviously the minister can choose to use advice or not. But given my role in opposition, I have certainly the right to express that opinion.

I want to shift gears just somewhat on the Primrose Lake economic development agreement that was recently signed between the federal and provincial government, which is a nineteen and a half million dollar fund. This was negotiated previously under the past NDP administration and the even further past Liberal administration through Mr. Goodale, who was the federal Finance minister at the time.

This Primrose Lake Economic Development Fund consisted of \$15 million from the feds and four and a half million dollars

from the province. Northern Affairs led that file and I'm sure Intergovernmental Affairs was also heavily involved. Today now they have a committee made up of two individuals from the four impacted communities to make an eight-member board.

And this board has no operating funds whatsoever, Madam Minister. They have zero operating funds. So to have a meeting to talk about economic development in our area, they have a chairman; they have an executive; they have regular board meetings. And I think actually they're kind of getting the towns to pay their expense to go to meetings. And this has been going on now for maybe I would say six months to a year. Is it in your plans to advocate not only provincial participation but federal participation to actually begin to fund this Primrose Lake economic development committee made up of eight people from four communities?

Hon. Ms. Draude: — Thank you to the member. Getting the background on this information, I realize that this was an agreement between the federal government, the provincial government, and the Primrose technical committee. It was negotiated under the term of when you were in government and I understand that there wasn't in that negotiation process any money made available for the board to operate. It must have been something that was an oversight by the committee, by both levels of government and the committee. I'm sure that they are talking about this right now and it's something that I'm sure that they will come forward with some questions.

I don't know if the member himself was on the committee or was part of it. I have a hard time understanding how this kind of oversight could happen, but it did. So if there is an issue that the province can be involved with, a discussion that we can have, we are always open to discussions. But I'll have to get some background information. And I thank you for bringing it up. It's something that we'll have to look at as government.

Mr. Belanger: — Okay. Just to refresh your memory, what occurred was a deal was about to be signed about a year and a half ago, if not longer if my memory serves me correct — and I could be corrected on the exact date. What happened in the process there was a federal election and of course Stephen Harper's government was elected. So what happened was they dragged their feet for about a year, the federal government did, before they signed this agreement. And when they finally did come out and sign the agreement — I think it was almost 10 to 12 months later — they changed the agreement process and what they ended up indicating like the \$15 million that was committed to by the federal government, well the federal government said, oh guess what, folks — you can't touch that money.

There was great fanfare when they announced the money but a month later said, oh guess what, you can't touch that money; you can only use the interest earned on the principal. So here was this great celebration, and the other problem that we had difficulty with was, of that 15 million, guess what? You can't use it for operating expenses. Of that 15 million we don't want you to do any elders honour payment for the elders kicked off the land to establish the bombing range. So after the great fanfare, the great announcement, all these conditions came through.

So the net effect is you have a \$15 million fund that these four communities once again victimized in this place and not being able to build their economy. You can't touch this money. All you can do is use the interest earned which I think is about 100,000 if not more than that for four communities to build their economy on.

So I sit back and I say, well okay, oversight — fine. We can maybe be guilty of that, but when a committee is hemmed in that bad and afforded no further resources or support, then what are their chances of success? What are their chances of success? So once again the region is being victimized by this kind of agreement that doesn't give them the support they needed.

So the net effect is, yes, the federal government got their headlines, but guess what? Nothing can move because you can't touch the principal. And this is what's absolutely frustrating to the whole region is here you have primarily Métis communities that are pushed off their land 50-some years ago finally getting compensation and once again being victimized.

So, Madam Minister, one of the areas that I think you need to fix up dramatically is what can you do to support these four communities and eight committee members who are really trying to make a difference as a result of this settlement. And right now they have no resources to help them.

Hon. Ms. Draude: — Thank you to the member. I received some additional information while you were having the opportunity to give me some more information as well. I understand that the federal government signed on March 31, 2007 and that the previous government, the NDP government, actually signed on July 23, 2007. So it was under the purview of the previous government where the decision was made and where there was — I'm not going to say if there was an oversight or what actually happened — but obviously there was an issue.

I just learned that out of the money that was to be used for elders' economic initiative, up to \$2 million, the province has actually disbursed 1.76 million of that to the elders at this time. So the province has stepped up for the elders.

I understand also that there is a meeting on April 26 of this month to try and resolve the issue and that will be something that we will be . . . at that time I'm sure that you will get a briefing from someone in that area, or if you would like further information, please contact the office, and when we can, we will give you information. And I thank you for bringing it to my attention.

Mr. Belanger: — All right. I appreciate that. And I just want to finish off just to . . . I wouldn't mind getting an update from the Northern Development Agreement — not here but in terms of . . . and not now; I'll certainly wait for . . . We'll have our second go-round in estimates, I'm sure, later on. But getting an update on the Northern Development Agreement, whether the province is willing to continue committing to that. Where is that process?

And the final issue I want to speak about today was, again I'm still quite disturbed, Madam Minister, in terms of the conduct of one of your staff members prior to the election. I referred to this

matter in question period, one question. And of course in question period, you've got a minute to ask and a minute to respond.

And I'm still not very pleased with what occurred because obviously I would assume that you would share the opinion that all employees need to be certainly non-partisan; they need to be professional; and they need to treat each other with a great amount of respect.

And when we heard that one of your employees was handing out fake pink slips the day after the election and apparently was also handing out Sask Party pamphlets prior to the election, I found that to be very disturbing because absolutely everybody has the right and it's a free world to vote for whomever you choose.

But when you're in a management position and you're supervising people and then you pull that kind of stunt, it is very, very unprofessional. And I asked earlier, what did he do to correct that employee's behaviour? And basically I haven't heard anything as to what you've done to correct that behaviour because I want to say . . . I haven't spoken to any of the employees that were impacted, but boy, if that happened to me, if that happened to me. And it's quite a funny thing for somebody to play on another employee.

And to this day I can't figure out, Madam Minister, why you weren't tougher on this employee. Normally if employees conducted themselves in that fashion, you'd red circle their salary. There would be some immediate repercussions. There would be steps that he would have to take, a number of other issues. And I just want you to confirm a rumour I heard, and I'm not certain . . . I don't like to place much emphasis on rumours. But was another employee suspended as a result of an employee telling this manager that it was not the right thing to do, and that there was harsh words exchanged? Is that correct, Madam Minister?

Mr. Crowe: — I hope that I can answer this. It's Ron Crowe, acting deputy minister of First Nations and Métis Relations. We didn't take the situation lightly, to the member. The ministry has dealt with the employee who, as a prank, handed out fake pink slips to some co-workers following the recent provincial election.

This incident was investigated by senior officials from our ministry and Public Service Commission. The employee responsible was disciplined based on public service guidelines and advice from the Public Service Commission. He is still with the ministry and workers affected by the stunt were notified that disciplinary action was taken. I am hopeful and confident that this lapse of judgment will not be repeated.

And I can answer the question as to the rumour that you heard. No other employee was suspended for bringing this forward. We thanked them for bringing it forward and ensuring that the office continues to be a professional environment.

Mr. Belanger: — And I would point out that the reason why I keep bringing this issue up is that I understand that there's been no remorse for that action, according to some individuals. That it's still a big joke to this individual that he pulled this prank.

And secondly is, an employee did basically approach this particular manager and had some choice words for them. And that employee was then suspended for a day. And I just wanted to confirm if that was the case or not.

Mr. Crowe: — It wasn't.

Mr. Belanger: — Sorry.

Mr. Crowe: — It wasn't the case. There was no suspension of any individual that had this prank pulled on them. I can guarantee that.

Mr. Belanger: — All right. Because basically the guy was, the individual was not remorseful at all for the stunt; thought it was still a great big joke after the minister or the staff corrected the behaviour. And an employee had some choice words for his or her manager and ended up being suspended because of the choice words. So I'm glad that was just a rumour and that you stand here today saying that did not happen. It wasn't a frustrating conversation that happened between one of the employees and this particular manager, and some words were exchanged and he got suspended. Because if that's the case, then that's an awful thing to have to go through.

Mr. Crowe: — Just to put a little bit more clarity. If there's continued issues around this, that being conversations between staff that were affected and the individual, then I have to be made aware of that in a formal process with a formal complaint. And I wouldn't take this situation lightly. We didn't take the situation lightly, and there was discipline handed out, and we believe that that kind of activity will not occur again by this individual or any other individuals. I think the lesson was learned.

Mr. Belanger: — Okay. And my final wrap-up on that particular front, I just want to thank my colleague for sharing the time with me, but to point out that when we heard of this particular stunt, it had a devastating, negative effect on all the rest of your employees, Madam Minister. It was a poor reflection of you as a minister, and I was quite pleased to hear that you had taken disciplinary action against this individual.

And this individual, I think, has to be remorseful for his activities and certainly remorseful for his action because a lot of the employees don't deserve that. Some employees have mortgages. Some employees have families. They have debt. They have a home they got to continue paying for. And to have this kind of prank pulled on them and it was a great big joke at the end of the day — absolutely nobody laughed. And I would certainly encourage you, Madam Minister, to ensure that never occurs again. Thank you very much.

Hon. Ms. Draude: — Thank you to the member and I appreciate his words. I know that it's no laughing matter to have a formal disciplinary action. And I did go to the North very quickly after to show my concern, and I thank you for your concerns.

The Chair: — If Mr. Belanger is done, I recognize Mr. McCall.

Mr. McCall: — I don't know if he's done, Mr. Chair, perhaps done for now.

I guess arising from the discussion we'd had earlier, Mr. Chair, certainly there are a number of things that the minister touched upon, first and foremost being the duty to consult. And I guess what I'll do at this point is perhaps we'll get to the duty to consult discussion because I agree; it's of huge importance and it's of huge importance to get the file right. And when you look at the experience in other jurisdictions around the country, there are some examples in terms of how it can go terribly, terribly wrong. So I agree with the idea that it's critical that we get this right in Saskatchewan for all parties involved.

But I guess I'd wanted to ask a couple of questions in a general sense around this notion of First Nations and Métis Relations serving as a window on the rest of the provincial government, and I guess, and whether or not there are resources both financial and human to get the job done.

One question I'd have is around the Public Service Commission decision to eliminate the Aboriginal Career Connections program. I guess does First Nations and Métis Relations have an opinion on the elimination of that program, and I guess what might that opinion be?

Hon. Ms. Draude: — Thank you to the member. The previous program, when it was re-examined through the Public Service Commission, we realized there was a relatively small uptake on the program. And realizing the opportunities we have to have First Nations and Métis people involved in the Public Service Commission, it was decided to try a more focused approach. And there has been one person hired as a Aboriginal recruiter to increase the participation of First Nations and Métis people in the workforce.

We will be monitoring to ensure that there is a better use, that there's more positive outcomes because of the recruitment efforts that we're putting in right now. And it's something that's very important to us, so it's something we'll be watching carefully.

Mr. McCall: — I've heard from individuals that have been directly involved in that program, and they're mystified as to why that program may have been cut. Until the day it was discussed in question period in this Chamber, the provincial government and the Public Service Commission ran on its own website testimonials from a great number of very accomplished and capable civil servants that had had some relationship to the Aboriginal careers connection program. And the glowing testimonials that were on that website, you know, provide a fairly interesting contrast with the decision to cut that program.

When it was discussed in this Chamber, it was presented as something of an either/or in terms of hiring an additional recruiter. And indeed there is recruiting capacity within the Public Service Commission at present, and has been for a number of years. And I think that's important.

And I fail to see how, through the window of First Nations and Métis Relations, it's presented as either you have an additional recruiter or you have this Aboriginal careers connection program. Surely both programs are worthwhile and important and need the proper resourcing by executive government. Does the minister agree with that or disagree?

Hon. Ms. Draude: — I think what we do agree on, to the member, is the fact that we need more First Nations and Métis people in our workforce. The direct questions on the program that was available when the now opposition was in government was handled through the Public Service Commission, and I believe you can ask the question to them.

For us, we're measuring outcomes. How many people are we getting involved? And I guess this goes to your opening statement about the First Nations and Métis Relations ministry being a window into government. We have, in all of the ministries, opportunities to have First Nations and Métis people involved. I like to know, our ministry likes to know what's going on in various areas. But overall it's not just this ministry that must have First Nations and Métis people involved.

So I sincerely believe that the Public Service Commission is looking at areas to make sure that . . . are we getting the total number? Are we having the maximum number of people we can coming to the Public Service Commission through this program? There must have been some advice or at least there was a discussion saying, should we try it another way, and I'm sure it's something that's going to be monitored.

I think that we can be sure that as we go through the number of training seats and the education money that we're putting into First Nations and Métis people through this budget, we're going to have an opportunity to have more people involved. But I think it's doing your job as the critic for this area, it's something that I know that you'll keep an eye on, as will I as the minister, because it's important. We're looking at it from a different perspective and we'll both be watching it.

Mr. McCall: — Well again, Madam Minister, from where I sit watching, I see your ministry being cut operationally by \$1.4 million and 15 FTEs. So in terms of the confidence level of the ministry to be able to get that critical job of monitoring and leadership done government-wide — and I agree that it is everybody's responsibility certainly — but the purpose in having a ministry such as First Nations and Métis Relations is something of an insurance policy. It's a way to focus government policy to make sure that happens, and again the resources that are brought to bear tell the story about whether or not the wherewithal adds up to the expressed intent.

I guess a bit of a different question in terms of an article that ran in the Saturday, April 5 edition of the *Leader-Post* this year. It's an article entitled, "Vice-chief seeks assistance with debt." The byline is Janet French. In that article there's a quote which refers to comments you yourself made, Madam Minister, stating:

Earlier this week, Saskatchewan's First Nations and Métis Relations Minister June Draude said the province won't give any money to the FSIN until Chief Lawrence Joseph responds to a letter from Premier Brad Wall, imploring the organization to reverse its offer to Ahenakew.

Draude said Friday the government has yet to receive a response. "I believe that there will be something fairly soon," she said.

This raises a number of questions, and given that we've got the

estimates in front of us, I guess my first question would be, what monies are being forwarded to the FSIN by the ministry, and has the government received the response to the letter indicated in this article?

Hon. Ms. Draude: — Thank you. While my officials are looking for the monies that are given to the FSIN, we have received a response from the letters. And the leaders of the FSIN and our Premier, they're discussing a meeting date at this time. So that is positive.

We give to the FSIN . . . And I'll explain what the money is given for. To offset costs associated with policy development and capacity for meeting with the province under the Saskatchewan-FSIN bilateral protocol to discuss such items as consultation, economic development, federal engagement and other on- and off-reserve matters, it's \$125,000, which is the same amount of money that was given to the FSIN under the previous administration.

Mr. McCall: — Could you clarify? I guess a request for clarification. The money that is referenced in this article, is that the money in question?

Hon. Ms. Draude: — At that time, there wasn't any money that was given through various ministries. But there has been a resuming relationship, as it was before that article, before the comments that were made that caused the letter to be sent. Our government and the FSIN have resumed all the relationship back to that time. And the Premier is looking forward to a date when he can meet with the FSIN and the officials.

Mr. McCall: — So again to be very clear, this was referring to monies arising from the bilateral protocol and not any additional monies being contemplated on the part of the provincial government to provide to the FSIN in terms of their budgetary shortfall.

Hon. Ms. Draude: — Monies that had been given previously or that were talked to previously through the bilateral protocol — yes.

Mr. McCall: — I'm not trying to be dense, Madam Minister, but were additional monies being anticipated to provide to the FSIN in terms of their budgetary shortfall by the provincial government, by cabinet?

Hon. Ms. Draude: — There had never been an opportunity for the chief and the Premier to discuss any monies at that time. At the time of this letter, the discussion that was mentioned in the newspaper article was about money that we normally had been spending with the FSIN and government. And as of a day or two after that article, when a decision was made that reinstatement wasn't going to occur, our normal relationship is occurring with the FSIN.

Mr. McCall: — Have you yourself had discussions with the FSIN in terms of additional provincial monies related to the budgetary shortfall at the FSIN?

Hon. Ms. Draude: — There was a discussion before the letter came. I believe the meeting that happened was March . . . There was an initial discussion with the FSIN where they spoke to

myself and one other minister about a deficit that they had, and there had never been any opportunity to go further than that, to take any further steps, because of the incident that happened at their assembly. Since then there has been no other discussions.

Mr. McCall: — What undertakings were made at that meeting in terms of additional funding from the province?

Hon. Ms. Draude: — There was just an information gathering meeting. The FSIN gave us basically the same numbers that were seen in the papers about the budgetary deficit. And they gave it to us for our information.

Mr. McCall: — Thank you for that, Madam Minister. I want to shift gears a little bit more with regards to the fiscal relationship between the Métis Nation of Saskatchewan and the provincial government. Can the minister just state for the record the monies that are forwarded from the provincial government to the MNS [Métis Nation of Saskatchewan] by the Ministry of First Nations and Métis Relations, to the exclusion of GDI [Gabriel Dumont Institute] or DTI [Dumont Technical Institute] or what have you — but straight government to government, Métis Nation of Saskatchewan to FNMR.

Hon. Ms. Draude: — The MNS, Métis Nation of Saskatchewan budget from the province of Saskatchewan is \$385,000 — from the ministry.

Mr. McCall: — In terms of the share of gaming revenues that flow to the Métis partners, certainly President Doucette had expressed some — how shall we say? — concern about the flatlining of gaming revenues to the MNS. Is the ministry involved in talks in terms of increasing the revenues flowing to the Métis Nation of Saskatchewan?

Hon. Ms. Draude: — I think that the member is aware that there is \$2 million that goes not to the MNS but to the Clarence Campeau Fund, and that money is continuing. And I do know that, I believe we've had two meetings with President Doucette, and he has expressed his desire to look at further funding. We are developing a great relationship with the Métis Nation of Saskatchewan. We have given them \$150,000 towards the duty to consult, to help build capacity so they can come to the round table.

We are very pleased with the fact that there is a working relationship and anything that . . . We'll be discussing options in the next number of months or whatever it will take. We have to have an opportunity to develop a relationship and understand what their goals are and see how they're meshing with the government's, but in the meantime we're very pleased that we have a relationship that is again respectful.

Mr. McCall: — Well I guess in the spirit of respect, the budget speech certainly provoked a very strong reaction on the part of the Métis Nation of Saskatchewan to what they regarded — and quite rightly, I would agree — the glaring absence of measures related to the Métis Nation of Saskatchewan or even mention of Métis people in the budget.

I understand the minister has made apology to the MNS for that. Would the minister care to comment in that regard?

Hon. Ms. Draude: — Yes, I did. I publicly apologized to the Métis people of the province, and I took responsibility for the fact that when some of our members use the term Aboriginal that it's not giving the respect that's due to First Nations and Métis people. So all of our ministries are working hard to ensure that terminology which shows there is a respect is used. I apologized and I know that Mr. Doucette, President Doucette, thanked me for that, and we will work hard to ensure that we have a relationship that ensures we recognize that Métis Nation is distinct from the First Nations people.

Mr. McCall: — Okay. Again there's so much terrain to cover and such little time. But I guess I tabled with the committee documents dated March 10. It's entitled "Leaders Question Wall Government's Commitment to Working With First Nations." It's released by the File Hills Qu'Appelle Tribal Council and concerns the Oyate transitional care home.

Now I know the minister has had a long relationship and a long interest in this particular file. And in this meeting of course and in other settings, the minister has stated the intent on the part of the provincial government, the new provincial government to strike a new relationship with First Nations people. And again we've talked today about how the ministry works with other departments and works as a window or a policy leader.

I guess that's all well and good, but in terms of where things sit with a particular file such as the Oyate file, I'd be interested to know what the minister says in response to a quote from File Hills Qu'Appelle Tribal Chair Edmund Bellegarde who stated, quote:

"The decision by Harpauer [your colleague] is in our view, more political than administrative or managerial. We feel we are being punished for not supporting the Saskatchewan Party's position on this issue when it became public in 2006. We did not support its position then and we don't support it now. I have no choice but to question Harpauer's decision and government statements in support of First Nations and working cooperatively together, because last Thursday's actions by Harpauer do not demonstrate this commitment," File Hills Qu'Appelle Tribal Chair Edmund Bellegarde said.

What's the minister's response to this?

Hon. Ms. Draude: — The actual discussion on Oyate is something that the Minister of Social Services will probably explore. I've had an opportunity to meet with Chief Bellegarde, and he wasn't happy with it. But at the same time, working together to see if we can come up with some solution is something that we both agreed on.

There's always some difficulty when there's a new administration talking about programs that were brought forward or circumstances that were being worked on before we became government. I know that on speaking to the minister, she discussed some of the issues that were brought to her attention. I know that to come to a conclusion to this that'll work best for First Nations and Métis people as well as government there will be more discussions. I believe that all the ministries have the same goal.

I believe your colleague talked about some challenges and some difficulties, and this was one of them, but the goal of our Premier and our government to work with the First Nations and Métis people to work with some of the issues that are really important.

And Chief Bellegarde and Chief Day Walker know that we were sincere about our commitment to the committee that was dealing with children who were being sexually exploited. There were issues around Oyate that seemed like they weren't being worked out. But when I read Chief Bellegarde's response, I was upset because I believe it's something that there was a misunderstanding; there has to be work done. So it's not something that I'm ignoring as a ministry. I know it's not something that the Minister of Social Services is ignoring because we were talking about not only relationship but we're talking about children.

So going forward, I'm hoping that we will have further discussions on the issue, not just to deal with the Oyate situation but to ensure that we have a relationship that works better. That's my goal, and I believe it's also the goal of the Minister of Social Services.

Mr. McCall: — Well again, Madam Minister, and I'm sure you'll agree, you keep the watch in terms of the broader provincial government in terms of that relationship, that very important relationship.

And in terms of the way that the decision on Oyate, after a tremendous amount of work was completed — and not just completed but also commented on quite favourably by the Children's Advocate — after that work was undertaken to have the Minister of Social Services send one of her officials to deal with Chief Day Walker-Pelletier in a very precipitous, very abrupt manner, and then to place into question and jeopardy the tremendous amount of work that has been done, I find it to be a sad comment on the way things . . . I find it to be a lost opportunity. There's been a tremendous amount of good work done, and surely we don't want to lose that work. So I guess I'm looking for an undertaking from the minister, and I've got it in a general sense, but I'm looking for something specific to say this is a priority for the minister and her officials.

I'm looking for some kind of a timeline because I understand from File Hills Qu'Appelle that they're ready to go — that it's, as the minister will agree, it's a very much needed service. And it's also reflective of that capacity that's that ability for First Nations people to provide this service themselves. It's a working partnership with the provincial government. So I guess I'm looking for a specific undertaking on the part of the minister to work for the re-opening and the re-establishment of funding for Oyate so that this good work is not lost and this opportunity does not pass us by.

Hon. Ms. Draude: — Thank you to the member. I appreciate your concern, and I can assure you that my opportunity as the Minister of First Nations and Métis Relations also means that I will be working with my colleagues as well. And that is my intention . . . is to work with my colleagues and to ensure that any understanding I can bring when it comes to First Nations and Métis people that may not be there at this time, I'll work to do that at all times always.

And I'm very hopeful that there will be further discussions with First Nations about all kinds of issues right across this province. When it comes to specifically Oyate, that will be the decision and discussion with the Minister of Social Services. I'm sure she's looking forward to further discussions with Chief Bellegarde as well.

Mr. McCall: — Can the minister inform us as to the specific discussions that have taken place thus far, perhaps in terms of dates and times where those discussions have taken place or efforts on the part of the minister to work with the Minister of Social Services to get to a better decision on this file?

And can the minister undertake to tell us something specific in terms of when you expect some kind of progress to be made on this file with the Minister of Social Services because if it's left in a sort of atmosphere . . . Again Oyate, it's my understanding, is ready to go. They're ready to provide the service, and it's a critical service as the minister agrees. So what specific can the minister bring to bear?

Hon. Ms. Draude: — I specifically talked to the Minister of Social Services. The decisions she makes in her ministry will be done with the best intentions of everybody in the province. And we will be continuing to have discussions that affect social services in all areas. I have not had the opportunity as of late to talk to her about this issue, but I'm sure it's something that will be brought up again.

Mr. McCall: — Well I guess with that, Madam Minister, I'd thank yourself and your officials for this round of estimates. We've reached the agreed upon time. But I'd restate my concern.

There's such a big job to be done, such an important job to be done. And it gives the official opposition great concern to see that that important job is to be done with \$1.4 million fewer and 15 FTEs fewer. So I wish you luck, but we're concerned. And we'll be watching closely to see how this all works out.

But with that, I thank the minister and her officials for joining us here today in the committee.

Hon. Ms. Draude: — I thank the member and the member from Athabasca. I'd specifically like to thank all the people that work with me in this ministry on these very important issues that deal with First Nations.

I thank you for wishing me luck, but lots of time we make our own luck. And I'm hoping that when it comes to working together with everyone who's concerned with First Nations and Métis — whether that is industry, business, government, opposition — we work together on this file. This is not something that can be political if it's going to work in the best interests of everyone.

So thank you for your questions. I appreciate it.

The Chair: — Thank you, Mr. Minister, and thank you to all your people. Thank you to all the members that were here, and we're now in recess until 6 o'clock.

[The committee recessed for a period of time.]

**General Revenue Fund
Municipal Affairs
Vote 30**

Subvote (MA01)

The Chair: — Good evening, everyone. The Standing Committee on Intergovernmental Affairs and Justice is now going to consider estimates for the Ministry of Municipal Affairs. I would ask the minister to introduce his officials and then have any opening comments that he might have. And I would ask that all his officials when they speak to the microphone to please say their name first for Hansard to pick it up and better to record this evening's session. So with that, Mr. Minister.

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. It's a real pleasure to be here with members of the committee. Look forward to your questions and hope to have an interesting and lively and informative discussion this evening.

I do in fact have a number of the officials from the Ministry of Municipal Affairs here. Harley Olsen, deputy minister, is here; Maryellen Carlson, the assistant deputy minister; Marg Abel, who is the director of the central management services and will be able to speak to that role a little bit later; Mr. Russ Krywulak, who is the executive director of grants administration and financial management; and finally, John Edwards, who is the executive director of policy development.

And I thought perhaps what we should do — I know that some members may be familiar with these individuals, others they will be unknown to, so I thought if I could just allow them a moment to introduce themselves and say in a few short words, a little bit about their roles and their purpose for being here this evening, beginning with Mr. Olsen, deputy minister.

Mr. Olsen: — Good evening. Harley Olsen. I'm new to the ministry. I started this job on February 11 of the past year. Previous to that I had been the director general of the Prairie Farm Rehabilitation Administration. I started my career with the province of Saskatchewan back in 1974, so I've been around. I've lived in the province all my life. My family still live at Birch Hills, Saskatchewan.

Hon. Mr. Hutchinson: — And of course Mr. Olsen brings a long history in service with the federal government, most specifically with respect to rural affairs. And that's an area of expertise that we're finding already to be very valuable and useful.

Perhaps I could ask Ms. Maryellen Carlson to introduce herself for a moment.

Ms. Carlson: — I'm Maryellen Carlson. I'm the assistant deputy minister in Municipal Affairs and have been there for just over three years. Prior to that I was the assistant deputy minister at Agriculture and Food. I am from Saskatchewan and born and raised on a farm.

Hon. Mr. Hutchinson: — Thank you, Ms. Carlson. Ms. Abel, please.

Ms. Abel: — Hello. I'm Marg Abel. I'm the director of finance and admin in central management services. I've been with government since 1986. Started in Sask Housing Corporation and then moved into the department of many, many names. I'm from Saskatchewan as well, born and raised in Rosetown.

Hon. Mr. Hutchinson: — Thank you ma'am. Mr. Krywulak.

The Chair: — Excuse me. We'd have to have them come forward to microphones so Hansard can record it.

Hon. Mr. Hutchinson: — Oh I see. I'll tell you what. I'll vacate my chair for a moment and turn it over to them.

Mr. Krywulak: — Hi. My name is Russ Krywulak. I'm the executive director of grants administration and financial management. I administer all the grants to the municipal sector including the federal programs. I've been with the provincial government for 25 years. Prior to this I was with the Sask Housing Corporation and I'm originally from Saskatchewan.

Hon. Mr. Hutchinson: — And finally, Mr. Chair, Mr. Edwards.

Mr. Edwards: — I'm John Edwards. I'm the executive director of policy development branch for Municipal Affairs. I've been with the provincial government since 1976 and I provide policy advice on a wide variety of topics as the need arises.

Hon. Mr. Hutchinson: — Thank you very much, Mr. Chair, for indulging me there. I think that brief introductions are always very helpful. It's nice to be able to put a name to a face.

I'd like to begin my introductory remarks by saying that I've certainly enjoyed my brief posting to this date. What we wanted to do first of all was to get in touch with everybody, and we did that. We actually had a walk about the building the other day and met as many of the individual folks in their roles and their particular departments inside the ministry as we possibly could, and I found it a very useful introduction. So we're off to an excellent start in that respect.

The next thing that I'd like to talk to on briefly is the origin of the current ministry. As some will know but others may not be entirely familiar with the details, this used to be a different department and it's actually had several incarnations over the last few years. And I thought it might be useful and informative to just review a couple of those details. It used to be the Department of Government Relations and previously it was the Government Relations and Aboriginal Affairs department. A little bit earlier than that it was known as the Municipal Affairs and Housing department; before that Municipal Affairs, Culture and Housing. And if you go back far enough, Mr. Chair, you'll find that it was originally called the Municipal Government department. So we've come full circle in the last number of years and now we've adopted the new name of the Ministry of Municipal Affairs.

The Premier's interest in making that change, if I understand him correctly, is to separate the three functions that were originally in place just a year or so ago, those being Intergovernmental Affairs in one portfolio, Municipal Affairs in a second one, and protocol and honours in a third one.

Now the Premier recognizes that all three of these activities are in fact extremely important but what he wanted to do was to segregate them and, in this particular case, create a stand-alone ministry for Municipal Affairs because he recognized the importance of rebuilding the relationship with municipal governments. And we want to establish and maintain a respectful, collegial, and even cordial — if we possibly can — relationship. It's a government-to-government relationship that we're attempting to build here. And in order to do that most quickly and most successfully, the Premier decided to have just one minister in charge of that particular portfolio. So that in fact is what's happened.

Before we go into details on the actual budget itself, there's a number of items of general interest that I think will be of value in our discussion to help put the context of budget specifics into a broader frame of reference.

Mr. Chair, as anyone who's in government can tell you, at the end of the day government is in fact all about community development, whether your community is a municipality or a province or in fact the entire country. To succeed you have to work hard to stay in touch with your constituents, as we all know. And if you listen carefully enough, they'll be happy to provide answers to the three most important questions any government must address. The first, where are we? The second, where are we going? And the third, how do we prepare?

Now as everyone is aware, where are we right now is in the middle of a hot economy that is leading the nation in a number of very key growth areas. It doesn't seem to matter what sort of statistic you look at, we're either leading or very close to it. And we can recall retail sales figures, figures for wholesale trade, export, housing starts, building permit values, even capital investment. We're experiencing record job growth as we know. Our population has increased by some 15,000 in the past 12 months. And as the Premier likes us to recall, we are in fact number one in football.

The second question: where are we going? Simply put, we're convinced that Saskatchewan has entered an era of unprecedented opportunity for economic growth and development. Just as important, in visiting all 13 of our cities plus a number of towns and villages and RMs [rural municipality], I'm seeing a level of optimism and confidence that I've never seen before.

The third question, then: how do we prepare? The answer is that while Saskatchewan's economy and its people are ready for growth, our infrastructure is not. We're all aware that far too many of our highways are crumbling and that increasing activity, say in the oil patch area, and bulk transport of materials like grains and potash to market, make a major investment in the roads that are in fact Saskatchewan's economic corridors an absolute necessity, an investment that can't wait. And as many know, many of our schools and health care facilities are in real need of renewal, and in some places actual replacement.

Our new government clearly understands these urgent priorities, Mr. Chair. We do get the message, and that's why we created the ready-for-growth initiative as a central part of our very first budget. And we funded it with \$1 billion, the largest public sector capital investment in the history of Saskatchewan.

Another very important fact is that for the first time ever, there is a five-year capital spending plan included in the budget documents. Now this is a fact that doesn't escape our municipal partners. It's a reality of financing that they've lived with for years and years and years. Legislation actually requires that they balance their budgets. While it's not illegal to incur a deficit over the course of a fiscal year; it is illegal to actually budget for one. So what we've done then is accept the same sorts of restrictions that our partners in municipal government have been working with for years and years.

Here's how that \$1 billion investment breaks down in a little bit of detail. Over \$400 million will be invested in the construction and maintenance of paved highways and gravel surfaced roads. Many will know that we do in fact in our province have two systems. One is the provincial highway system — largely paved surfaces, some are heavy duty, others are what we know as TMS or a thin membrane surface, and the other ones are the grid roads. They're largely gravel-surfaced roads and they can carry primary weight or other secondary weights depending on the level of construction that's actually built into them.

Particular attention is being paid to routes serving areas of current and emerging economic development. For example, the oil and gas activity in the Northwest and in the emerging southeast areas where we have the Bakken play, the Bakken Formation as it is sometimes called.

Nearly \$200 million is being directed to health care facility projects in our budget. Most of the dollars will go to support a large number of regional and community hospitals and special care homes around the province. Some of them are already under way, and some of these are actually new projects. The remainder of the dollars in that particular envelope of capital spending is dedicated to equipment purchases for things like diagnostic imagery.

K-12 [kindergarten to grade 12] education gets over \$100 million which allows 11 new major projects on the ministry's capital priority list to proceed in 2008-2009 — an unprecedented level of investment. It also lets previously announced projects that are under way go through to completion. In addition there's nearly \$10 million, is what we know as block funding for minor projects such as roof repairs, boiler replacements, and those kinds of improvements. Post-secondary education capital funding also gets a very significant boost in the budget.

Provincial revenue sharing for rural, urban, and northern municipalities, a large portion of which goes to capital projects, increases by 7 per cent as promised in the lead up to the election. Combined with other programs — including the new Saskatchewan infrastructure growth initiative which we will detail a little bit further on down the road, a \$300 million interest-free loan pool designed to help municipalities in building infrastructure for new residential, commercial, and industrial subdivisions — the total funding is approximately \$140 million.

And finally there is nearly \$100 million in capital funding directed to provincially owned facilities primarily through Saskatchewan Property Management — and these are Crown-owned buildings of course — as well Tourism, Parks,

Culture and Sports.

Add it all up and you get the \$1 billion capital investment that we're calling the initiative for growth.

Now our government has set some very clear priorities in the budget, the first of which is to sustain the economic momentum that we currently enjoy in the province of Saskatchewan. The next is to ensure that all Saskatchewan people benefit from this growth. The third is to manage the growth carefully and responsibly. And the fourth is to keep the promises that we kept in the campaign.

Now we made a promise during the campaign, as many will recall, about the Saskatchewan infrastructure growth initiative, or SIGI as we call it, and it's designed to meet the needs of municipalities as our province and municipalities continue to grow. I actually have the text of it, and I think it's useful to take a moment to refer to the actual document and read this into the record.

Here's what we say in the *Securing the Future: New Ideas for Saskatchewan* document that was made public before the election. Under the title "Investing in Municipalities" on page 21 we have a title, Saskatchewan infrastructure growth initiative for municipalities. And here's the text:

A Saskatchewan Party government will provide \$300-million in five-year interest-free loans through the Saskatchewan Infrastructure Growth Initiative, to assist municipalities in developing the infrastructure needed to meet the demand for new housing, commercial and industrial construction.

What we found before the election, Mr. Chair, is that there is a need for municipalities to accommodate new growth and therefore a need for the new government to try to accommodate that growth in its programs. SIGI is specifically designed to make sure that a pool of money is created and made available for new residential construction and commercial and industrial construction. It doesn't really matter which. We are well aware there is a need for some and in some cases all of the above options depending on which municipality you go to.

Now as I mentioned, one of our goals was to travel as widely as possible before the spring session was opened a couple of weeks ago. We managed to get around to all 13 of Saskatchewan's largest communities, cities, as well as a number of towns and villages and RMs and even some of the northern communities.

What we found, as I mentioned before, was an unprecedented level of confidence and enthusiasm. There's a tremendous need to accommodate this new growth. And when we were talking to the mayors and councillors and the senior administration folks from each of these communities that we visited, what we found was that the infrastructure growth initiative program was known in advance. There's a tremendous level of enthusiasm about it, and we had every reason to expect that there would be a large take-up on the program as soon as it was introduced.

So that gave us a lot of confidence that we were on the right track, Mr. Chair. As I mentioned, the introduction of the

infrastructure growth initiative program keeps the promise we made to help municipalities develop infrastructure. It provides that \$300 million pool of loans, and the loans will be spread out over the next four years. And we're imagining that a need for \$75 million per year will be what's required to address.

We had an awful lot of consultation with our municipal sector partners during the course of the development of this program, as you can imagine. As soon as we were elected and formed government, one of our top priorities was to make sure that we tried to flesh out the program and develop some of the more important details for discussion with municipalities on our visits and for presentation in the budget.

Here's what we found. In talking with our municipal partners they told us that they wanted the option of allowing the loans to go longer than five years, and that in fact is the case. The loans can be managed for longer than a five-year period of time.

They also wanted the option of getting money from private sector lenders, such as the financial institutions in their own communities. We were happy to incorporate that into the plan as well. They are certainly welcome, and we encourage them to at least get opinions about loans, potential loans, from the Saskatchewan Municipal Financing Corporation, but they're also welcome to seek some advice and even make specific financial arrangements for loans with the private sector if they prefer.

Here's a few other program details that we think are worthy of note and will add some context for tonight's discussion.

Applications have been opened up as of April 1 of this year, and that's the first intake that we're planning. And at the specific request of our municipal partners, they've been made retroactive back to January 1 of this year. So if you wanted to get a little bit of a head start, you could. There's no penalty for that, unlike some of the federal programs where you must wait until the program is in place before you get under way. There will be another intake this coming fall to ensure that approvals can be made in time for the 2009 construction season.

There's also peer adjudication and approval that's in place. The folks that will be looking at these individual applications and judging their worthiness against the criteria are going to be municipal peers. So we think that's going to be an excellent structure.

Incremental infrastructure was another concept that they were talking about. For example, if you wanted to add a residential subdivision in the city of Humboldt — as I know that they're doing — if you also happen to have to add a little bit of capacity to the landfill, our municipal partners suggested that that incremental infrastructure also be eligible for the SIGI grants. And at their suggestion we've included that in there.

The budget also includes additional support to meet the increased demand that we are receiving for subdivision approvals. We are well aware that this is an ongoing challenge for the ministry, and we wanted to address it very specifically in the budget. We've done that. And we're working hard to help expedite the approval process so that we can help municipalities meet the demands being placed on them as quickly and as

effectively as we can.

Another campaign promise that has found its way into the budget that will be of specific interest and assistance to municipalities is what we had planned to do with the proceeds from the NewGrade upgrader sale. Here's what we say about that in the campaign document:

A Saskatchewan Party government will dedicate \$140-million over four years from the provincial government's share of the New Grade upgrader to improve road and highway infrastructure. A significant portion of this will go directly to municipalities to assist in the construction of road and transportation infrastructure.

That of course is what the promise was and what we were able to provide in the budget. We know that it's going to be very helpful indeed.

Now let's talk about revenue sharing for a minute, if we can — of very keen interest, I know, to the members in the House tonight. We made a specific promise during the campaign of a 7 per cent increase in municipal revenue sharing over the previous year, and we kept that promise. This increase brings the total municipal revenue sharing to approximately \$130 million for the 2008-2009 fiscal year.

Now we fully recognize that that isn't enough to solve all the problems. If you talk to the mayors and councils, reeves and councils in the RMs, all of them will tell you that there is in fact a greater need. We recognize that, and we're moving as quickly as we can to try to solve that particular issue.

The question that I think we need to ask ourselves is, how do we in fact get there? Well we have to turn back the clock a little bit — as we have during question period. We go back to 1991. We start to see a succession of years where, unfortunately, major cuts were made to the revenue-sharing pool. And over the following decade the pool was cut in half, and the total deficit there that was reached by the end of that decade was approximately \$300 million.

If you want to put it into the context of specific municipalities, Mr. Chair, Saskatoon lost approximately \$100 million of revenue sharing from the province over that period of time as did Regina, and if you combine all of the losses of the other municipalities, you have a third \$100 million. So there's where the \$300 million comes from. So there's a large hole to fill, and that's the job that government of the day has.

The process that will take place must address the following questions. First of all we want to carry . . . Well I suppose what we should really do is to talk about the process of reinvigorating these discussions. Now we are well aware that a significant amount of debate . . .

Ms. Higgins: — Excuse me. Could I please ask the purpose of estimates and why we are all here? Is it not for the members of the Legislative Assembly to have an opportunity to ask the minister questions on his budget and his estimates?

I know we have always had a reasonable amount of time for a minister to introduce officials, to make some opening

comments, and really throw the floor open. But we've almost spent a half an hour listening to the minister go through minute details of issues that he is dealing with. If he's got a list of questions he's answering, could he please give us a list of the questions so we could maybe follow along, or otherwise could we please get back to the purpose of what we're here for?

The Chair: — Okay. I would ask the minister to wind up his remarks and we'll get to the questions.

Hon. Mr. Hutchinson: — Oh I see, Mr. Chair. Well of course everybody here will know this is my first chance to be involved in estimates, and I thought that the more thorough the introductory remarks, the better context we could provide for the questions. But I certainly take your advice to heart and I'll do the best I can to tidy up in just a minute or two.

We have a couple of questions that revenue sharing will need to address in the next few months. What is the own-source revenue that should be linked directly to revenue sharing? We've heard a number of suggestions — should it be income tax, should it be sales tax, should it be a combination of those sorts of things, some sort of a GDP [gross domestic product] measure — and we'll keep that in mind as we move forward with the process.

The appropriate level of revenue sharing of course is a very keen concern. Should there be any changes to the way revenue sharing is distributed to cities, towns, villages, rural municipalities, northern municipalities? All these are some of the important issues that we'll have to be addressing, and those discussions, everybody will be interested to know, have already, we've made the preparations for them to begin.

And the key difference this time is that we're having the Finance folks right at the table so that they can aid and can actually expedite discussions. And while a considerable amount of work has been done with discussing these issues with cities, it's only barely begun with towns and villages, RMs and northern municipalities. So we do in fact have a whole lot of work to get done.

While we work towards realizing a new revenue-sharing deal, I want to point out that the budget does provide \$32.8 million in the federal-provincial shares for municipal infrastructure funding through the MRIF [Municipal Rural Infrastructure Fund] fund. Of course I'm not going to go into detail right now. Obviously we'll have some time to do that later if somebody wishes.

We can also go into a little bit more detail on the grants in lieu. Just trying to run through a couple of the highlights and do them very briefly, our budget includes 100 per cent increase from \$5 million to \$10 million for the municipal rural primary weight corridors program which we know is of very keen interest from the perspective of our rural partners.

That's going to support economic growth in rural Saskatchewan by assisting municipalities to upgrade primary weight corridors wherever needed to accommodate heavy truck weights. The budget also has a flow-through of federal funding in the amount of \$32.4 million in the federal gas tax program envelope.

Just trying to see if there's anything else here that we need to touch on before we get to questions. Actually, Mr. Chair, there's a lot more detail that might be of help, but it sounds like we're ready to get to the questions. And so I'll be happy to tidy up my remarks and open the floor for those questions.

The Chair: — First I yield the floor to Deb Higgins.

Ms. Higgins: — Thank you very much. Thank you for your opening comments, Mr. Minister. And I know it's your first time here at estimates, but while you're representing the Government of Saskatchewan here and specifically the Department of Municipal Affairs, it's this body's role to allow members of the legislature to ask questions of the minister's budget and department — and ministry, pardon me. I mean I would hope that there would be support from all of the MLAs, and be able to support the Government of Saskatchewan's budget, and this is our opportunity to ask specific questions.

So I don't mean to be rude or I don't mean to cut short your comments, but our time is limited, and if we're going to look at a thorough discussion on Municipal Affairs . . . So I didn't mean to be abrupt, but time is short.

Hon. Mr. Hutchinson: — No offence taken. I take it in the spirit that it's offered.

Ms. Higgins: — Thank you very much. Mr. Minister. I guess the topic that's first and foremost in everyone's minds, I touched on a bit of it, the 7 per cent that was put forward in the budget for municipalities and for revenue sharing this year.

We have seen over the last few weeks when the amount was announced, municipalities have come forward and have said quite clearly that's not enough. You yourself have acknowledged that 7 per cent is not near what the municipalities need. And when your government has put forward a platform and a budget that talks about growth in the province, here we have the municipalities — that are the ones on the ground providing the day-to-day services — that are struggling.

So over the last couple of days, as you're aware, the Premier has made an announcement there is an opportunity to put more money towards the municipalities. Can you tell me where that commitment is right now?

Hon. Mr. Hutchinson: — I'd be delighted to. The most recent land sales for petroleum have generated an unprecedented \$265 million in the last couple of months. Now this is money that nobody budgeted for, nobody even imagined was possible. It's just the way that the market is going these days and of course we're absolutely delighted to get those numbers of dollars into the revenue.

With that it creates just an incredible opportunity to have another look at the number of dollars that are being provided in support of municipalities. So when it became apparent that this was the opportunity, we moved quickly to consider it. And the Premier in the House the other day mentioned that we want to get together with municipalities to discuss the possibilities. And his very specific instructions to me were, get on the blower and call up the folks at SUMA [Saskatchewan Urban Municipalities Association] and SARM [Saskatchewan Association of Rural

Municipalities] and get a meeting as quickly as we possibly can. Those were the instructions that we received in our ministry late last week.

We acted on them right away, of course. And we've got a meeting scheduled with our municipal sector partners from SUMA and SARM as well as the North for Monday afternoon. And we've allowed in doing that a couple of days for ourselves and our colleagues in the ministry to pull together some information and some suggestions, some thoughts about the process and where it might go, as well as a respectful opportunity to our municipal partners for them to do the same. So we'll be meeting on Monday afternoon.

And what I'm trying to do, what I've clearly done is to solicit any and all ideas that the municipal partners may want to bring to the table. So that's where we stand. We won't know exactly how the discussion is going until we get there. But we're very enthusiastic about the opportunity, and I'm excited about the possibilities. I think it's going to work.

Ms. Higgins: — So in these very early days of discussions on adding more funding into municipal revenue sharing, what kind of a dollar value are you looking at?

Hon. Mr. Hutchinson: — Well I think the most respectful way to approach the process, ma'am, is to simply not go in with a preconceived solution but just a few thoughts and ideas and respectfully request or allow the opportunity for our partners in the municipal sector to do the same.

We don't have a specific solution to lay out to people and say, this is where we want to go. We're simply opening the door so that people can come in and sit down. We're going to roll up our sleeves and get some hard work done, and we'll have to see where the discussion goes. We don't have a preconceived notion of where it's going to end at this time.

Ms. Higgins: — So then the whole 265 is on the table; is that what you're telling me? If there's a need proven from the municipalities, if you have no preconceived notion of an amount that is available from the 265, so then are you saying the whole 265 is open for debate and solutions put forward from the partners?

Hon. Mr. Hutchinson: — Well I imagine that the final number that's agreed upon in the discussions will be considerably less than the full \$265 million. There are in fact a number of other needs. And we also have the interesting prospect of the legislation which will be passed, we hope, in the House the next few weeks that will require any unbudgeted surpluses to be split, half going to debt repayment and half going to economic development initiatives.

What we're looking at is that we'll be assisting with economic development initiatives in the cities by providing a little extra assistance at this point, but we just don't have a particular figure to offer tonight because we need to wait and find out what the municipal sector partners are going to be discussing on Monday.

Ms. Higgins: — So now in your comments, you just talked about helping with economic development activities in

municipalities. The Premier has also made the comments, I believe, where he talked about this money being directed so residents will see a direct reduction in their proposed property tax increases. So how do you propose distributing any type of municipal revenue sharing? Obviously you're looking at something different than the traditional and normal formulas that are now applied when we are looking at revenue sharing.

Hon. Mr. Hutchinson: — I think we're willing to look at a number of different scenarios. We don't have a final solution in terms of the actual numbers of dollars, and we're willing to sit down and chat about a number of different scenarios with our municipal partner sectors.

Again I don't know exactly how the discussions are going to go. We'll have to get in there and see where they wind. It would be a little presumptuous on our part, we think, to try to get hypothetical and imagine exactly what solutions are going to be discussed. We'll certainly discuss anything that the municipal sector wants us to. That's the whole point of the meeting.

Ms. Higgins: — So then when you're looking at this open table discussion on a unspecified amount of money, are you looking at some type of a distribution that would spread it equally and evenly the way revenue sharing does currently? Or is it going to be shifted so that those that can express the most need get the largest chunk of it, or can argue for a different amount to come to their municipality? Like I'm not sure; you're leaving this pretty wide open, and it could lead to some problems down the road.

Hon. Mr. Hutchinson: — One of the logical solutions to propose, one of the things that we would want to consider is simply adding a number of dollars, whatever that right number of dollars is, to the revenue-sharing formula, and then allowing distribution to occur in the traditional sort of a fashion. It's a well-worn path. It's something that is well known to our partners, both the cities, towns, villages, and RMs, and northern communities. So that's certainly one of the options that we would want to put on the table and have some thinking about.

Ms. Higgins: — So when you're looking at \$265 million on the needs that are out there for the municipalities and when you think of the comments that were made, I believe in *The StarPhoenix* the other day, that if the current revenue-sharing formula and the amount — the 7 per cent — were doubled, that would mean one additional million dollars that went to, say, Saskatoon, and that would mean a reduction of 1 per cent on their mill rate which is pretty minimal.

So I would assume that the municipalities have expectations that are considerably higher. I have heard amounts today, talking about 50 million extra because the times are so good, the economy is so good. The resources are coming in, and the revenue is coming in so nicely to the province of Saskatchewan that to make this a true partnership and have the province be, as a whole, right across, and all the municipalities be able to build to the needs and requirements that they have, that there are numbers like 50 to \$100 million being added into revenue sharing with this discussion that we are talking about. Are we talking about those kind of dollars? Do you feel as the minister that these kind of dollars will be available to municipalities on these discussions on Monday?

Hon. Mr. Hutchinson: — Well it's impossible to say really — isn't it? — because that's a hypothetical question. We won't really know what the requests of municipalities are until we have a chance to sit down with them and discuss them in detail. We haven't had a specific proposal from SUMA or SARM or the folks from northern communities. We're looking for that opportunity. In fact we're providing that opportunity on Monday. We just don't know what it is that they'll say until they've said it.

Ms. Higgins: — Well I guess the part that makes me uncomfortable is I can guess what some of the municipalities will say, and they've all discussed the options of the support that they need and the shortfalls that they have in funding. But what I'm a little concerned about is that you don't have any dollar value that you are willing to add to the discussion. You have left it kind of wide open, ballpark, like the 265 is up for negotiations, if you come forward with a good enough plan that you may need to access those kind of dollars. So I guess that's my question. Is the 265 on the table? Is a portion of the 265 on the table? Are we talking 50 million? Are we talking a cap of 100 million? Like there needs to be some type of a ballpark.

You just can't throw it wide open because you'll have double that, I'm sure, in requests come in if that's the way you're going to approach this. And if you're comfortable with that, I guess you're comfortable with that. But it's an unusual way to go forward, I would think.

Hon. Mr. Hutchinson: — Well I'm not sure what the requests will be. And from my perspective, if we're trying to establish and maintain the most respectful government-to-government relationship possible, then that of course is our clear objective.

What we should really be doing is seeking advice from our municipal partners. And that's the way that we're going to approach this particular assignment. We'll open the floor for discussion. We'll canvass all of the municipal sector partners who are there for some ideas, and then we'll just move it forward from there.

I just don't know specifically what they'll suggest yet. And as I mentioned before, we don't have any formal requests from SUMA or SARM or our northern municipal partners yet. But we're hoping that we'll have some ideas to discuss in detail on Monday. I guess we'll just get there when we get there. I'm not sure exactly what we'll find until we actually start the meeting.

Ms. Higgins: — One of the things . . . I mean when you talked about economic development, the Premier has talked about, make sure it reduces taxes. One of the things that municipalities, cities, small towns have all lobbied for is . . . I mean straight-across funding — sorry and I'm missing the word — instead of dedicated funding to specific, whether it's infrastructure or whatever, just to have straight-across dollars that they can use for whatever the issues are that their greatest needs are. So are you looking at this being specified funds, or are you looking at it being non-dedicated?

Hon. Mr. Hutchinson: — I think that speaks to a central issue in respect to financial assistance being provided by the province to municipalities. One of the debates is whether the dollars should be conditional or unconditional, and that's the parlance

that the municipal sector partners are used to. And traditionally a large number of the dollars have in fact been unconditional.

So there's a worthy debate. If new dollars are being provided as a portion of the proceeds from the land sales, the petroleum land sales, to municipalities, should they be conditional or unconditional? I'd like to hear what the municipalities have to say themselves. Traditionally in the past, municipalities have favoured unconditional dollars which means that there's a wider variety of uses that they can be put to. And that's a central part of the debate that we expect to get involved with on Monday.

We can also put those comments into a larger context as follows. There are two processes going on here, and obviously our municipal sector partners are keenly aware of this. The first is, what is it that can come out of the discussions next week? If in fact some extra dollars are available, how many can we agree to? How should they be distributed, and for what sort of purposes? That's the essential parts of the debate for next week.

But there's another process, a longer term process, and that's the revival of the ongoing revenue-sharing discussions, and all of our municipal sector partners are going to be having that in the back of their mind too.

What we're talking about in terms of bumping up by 7 per cent the original, the pre-existing revenue-sharing pool in the budget, is an interim measure, a temporary measure. If extra dollars are provided as proceeds from the land sales, that also is part of a temporary solution too. The long-term solution that everybody in the municipal sector is working towards is the new revenue-sharing agreement however that might look.

And as we said before, we would like to accelerate the process. And instead of having it accomplished in two years as talked about in this particular document, the goal that we've established for ourselves, if possible, is to reach a new agreement for a permanent new sharing agreement in the fall of this year, in time for a call for estimates and incorporation in the next fiscal year.

Ms. Higgins: — Now in your comments, a couple of times you have said if new dollars are available. That makes me a little nervous. I don't know whether you are just using an example, if it's a slip of the tongue, or if for some reason funding from the 265 — a portion, a percentage, whatever — is allotted to new municipal revenue sharing is not an if. My understanding is, what the Premier said, is that there would be money available. Am I wrong in that?

Hon. Mr. Hutchinson: — No. You're absolutely right.

Ms. Higgins: — Okay.

Hon. Mr. Hutchinson: — My best effort at trying to be as hypothetical as I can in these current discussions. Yes, some number of dollars yet to be discussed, yet to be agreed, will flow from the province, from the new extraordinary one-time income from the land sales to municipalities. We haven't got a specific figure in mind yet as we discussed before. We're not entirely sure what the municipalities are expecting or would propose in the way of numbers of dollars or whether it should be conditional or unconditional or whether . . . All of these

things need to be discussed. But yes, there will be a number of dollars.

Ms. Higgins: — Okay. Just one more clarification. Some unspecified amount of dollars from the 265 million will be one-time dollars to the municipalities. And my question is, will it be distributed on the same formula that revenue sharing currently is giving consideration to the cities, the small towns, the rurals, urbans, and northern municipalities.

Hon. Mr. Hutchinson: — That's a very logical assumption to make, but we want to again ask the municipalities if they're comfortable with that. It's how dollars have been distributed in the past, and it's a good working model. So it wouldn't surprise me at all if that particular solution was acceptable to our municipal partners. But again that's something that we would respectfully ask them to consider and to provide an opinion on.

It's going to be a fairly interesting and wide-ranging discussion I imagine.

Ms. Higgins: — So do you expect or is your intention to get this money to the municipalities before the current mill rate is set and budgets are finalized?

Hon. Mr. Hutchinson: — Budgets in many cases have actually been finalized. If you think about the city of Regina for example, on Monday of this week they had their last council meeting to tidy up administrative business, and on Tuesday they had their budget meeting. What they decided to do was to pass the budget — and this of course has happened in a lot of other municipalities by now — but to table the money bylaw. The actual budget, although it's adopted by motion, doesn't become law until the bylaw is read. It's a process that's parallel with the parliamentary process we have here in the Legislative Assembly, but it's not entirely the same. There's some distinct differences.

In this particular case the way it works is as follows. We have a window in between when municipalities pass their budgets and start working on passing their money bylaws. There is a time period; it's two or three weeks. What we need to do in order to make this timely for municipalities is to get the process agreed on and a dollar amount fixed before the money bylaws are debated and passed. If we can meet that deadline, then we've done the job properly. That gives us a couple of weeks and our goal then is to try to make sure that we get it done in that time frame.

It's clearly what municipalities want, and it's also what this government wants too.

Ms. Higgins: — Well then you anticipate working towards those timelines?

Hon. Mr. Hutchinson: — Yes ma'am.

Ms. Higgins: — That's your goal.

Hon. Mr. Hutchinson: — That's exactly what we intend to do, yes.

Ms. Higgins: — Thank you very much, Mr. Minister. I want to

carry on now into one subject that you've touched on. I'm not going to hit all the subjects you've touched on in the short time we have. But the long-term revenue sharing, so where are you with the municipal sector strategic plan?

Hon. Mr. Hutchinson: — At this point I think in order to get a little bit of technical background, I would like to turn it over to ministry officials, and then I may want to add a little bit of comment afterwards to provide some context if I could.

Ms. Carlson: — If I may, Maryellen Carlson. The municipal sector strategic plan continues. We have four tables of discussion. We have cities. We have small urbans. We have rural, and we have northern municipalities. There are officials who sit at those tables to discuss matters of common interest to both levels of government.

Within that framework, there are a number of objectives that the plan has. The first is to improve the consultative relationship between the two parties. The second would be to discuss revenue sharing. The third would be to work on a planned approach to infrastructure. The fourth would be to develop a common agenda of particular issues and opportunities that governments need to work on together, i.e., working on land use planning, working on service delivery challenges particularly in rural Saskatchewan. Those are some of the common objectives of the plan.

Work is underway. Work has begun on both the revenue-sharing discussion for the future. We are proceeding with work at each table on the needs of those sectors for revenue sharing while simultaneously beginning our work on how we might index revenue sharing to own source revenues with an objective of tying these two together for further discussion in the fall of this year. The same is true of the infrastructure discussion. It's now proceeding once the completion of the framework was decided, and so it's an active process.

Ms. Higgins: — Thank you very much. I guess my concern is do you see this, Mr. Minister, as an ongoing, never-ending kind of renewal process? Do you see this . . . Because my understanding was that these tables, the discussions that were started 18 months ago would lead to best practices, some of the . . . or the recommendations coming out of the work that was done to come to decisions, to implement, to be able to move forward in a more effective and efficient manner. So do you see this as having a definite time frame? Do you see it carrying on forever? I'm not quite sure where the process is, or how you see the process. I guess that's important. Is there a timeline? When will we see implementation of some of the work that has come from this strategic plan?

Hon. Mr. Hutchinson: — I would look at it this way. First of all I'd certainly like to get the specific comments of our municipal sector partners about the effectiveness of this particular process. I'd like to get their idea. My own idea's as follows. I think it's a good process. The sector partners who have sat at the table, for example, on revenue sharing have agreed that the tables work. It's the right way to do this business. And of course we're reviving the discussions. We will be working hard through the summer into the fall to get that particular piece done.

But there are other issues too. For example municipal capacity is a top priority to not only the folks in the ministry but to our sector partners as well. There will never be, I would expect, an end to issues of concern. And therefore if we found the right mechanism for ongoing discussion so that people can bring in ideas about best practices here and in other jurisdictions, and if this provides the right sort of an environment and atmosphere to discuss things in a collegial, respectful sort of a fashion, then I would be comfortable if our municipal sector partners wish to continue the process.

There's always going to be another problem over the next hill and another one around the next corner, sort of thing. We'll never run out of good issues. So if this is a great way to discuss them and the results are satisfactory to all involved, it perhaps makes sense to continue with the process.

Ms. Higgins: — Okay. Now my understanding is the whole beginning to this development of the municipal strategic plan was to really inform government as to not only revenue sharing, but infrastructure and support in other areas. And really to clarify a number of areas that have developed because that's the way we've always done them, and that there needed to be some better definition, and where do we go from here, and how is the best way for us to move forward as respective partners and municipal and provincial governments.

So I would see in the beginning this had a definite end in sight. Now do you see that differently, or is that a possibility for you? I'm not sure. Maybe I was off on the wrong foot on my comments, but from the information I've read, it did have . . .

Hon. Mr. Hutchinson: — I don't think so. I think it's probably just a difference in perspective, you know, and a useful one, too. What I would like to do is ask our ministry officials who were there at the start of the MSSP [municipal sector strategic plan] process if they could offer a few comments about the original expectations as they understood them.

Ms. Carlson: — Maryellen Carlson. At the outset, the municipal sector plan was thought to have the potential to be a rolling agenda of priority items renewed annually, rolling forward in some key areas. And so it had the goal of an administrative agenda that would inform the elected in their decision-making processes over the long term.

Ms. Higgins: — So my understanding is that you will know a priority for the municipalities and, from the experience that you bring to this legislature, you will understand the importance of revenue-sharing predictability. You've spoken to this issue often. For you, coming and working on both sides of the fence — which you have; you bring that experience now — you must have expectations that you bring with you from your experience. And I would ask, have you set goals for yourself and for your department as to when the long-term revenue sharing permanent solution will be put in place?

Hon. Mr. Hutchinson: — Oh absolutely. The campaign promise is to conclude a new revenue-sharing agreement within two years. But what the Premier has said publicly — and I fully support him in this initiative — is that it would be preferable, much preferable, much preferred if we could actually telescope that time. The logical implication of that statement is if you're

going to do it in less than two budget years, that means it's in one budget year. We expect the call from estimates, from the Minister of Finance later on in the fall. A useful working target would be late October. We don't have a final deadline, but we'll get one as soon as it's available, and that deadline will in fact be the target.

What we want to do is to get all of the tables active and to continue throughout this late spring and the summer and the fall towards concluding the framework for that agreement in time for the call for estimates. If we can meet that target, then we can have bones on the flesh or flesh on the bones, if you will, ma'am. What we'll be able to do is to say that the new revenue-sharing agreement that we're proposing looks like this, and here are the dollar amounts that we're proposing, and that that is part of the estimates that go from the Ministry of Municipal Affairs over to Finance for their discussions in the fall.

Ms. Higgins: — So your expectation, your expectation, Mr. Minister, and the timeline that you have set for yourself is to have a final draft of recommendations done to go to print in October, by the end of October. No. But you know, your final draft that you have compiled the information you need and that's the recommendation that you're going to put forward; is that accurate?

Hon. Mr. Hutchinson: — In general terms, yes. The specifics that I'm not 100 per cent aware of at this point in time and need to determine as quickly as we can is, what will the specific requirements of the Ministry of Finance be with respect to estimates? Whatever it is that they require in order to give that proposal, that proposed part of our ministry's budget due consideration on a par with all of the other ministries' budgets, that is what we intend to provide them with.

And it speaks to the advantage of having Finance right at the table. Not only will they be able to provide us with some advice, but we might go off down the path of saying — you know what? — revenue sharing could probably best be done as a percentage of sales tax for example, and that's one of the ideas that no doubt will come to the table for discussion. We want them at the table so that they can say as quickly and clearly as possible, actually that's a good idea and here's why we would support that, or actually that's a problem and here's why we suggest it won't work, and here's a couple of other things that we'd like you to think about. But we also need them to help us define what are their requirements in terms of a specific proposal.

As soon as they can provide us with a clear deadline and a clear outline of their expectation, that will help provide the framework in which we will work over the summer and the fall.

Ms. Higgins: — With 18 months of work already on the table . . . and to my understanding it's been a very productive process defining kind of roles and responsibilities, responsibilities because there are many crossovers and overlap when it comes to provincial and municipal, but it's been very productive. So I would almost think the expectations and recommendations are pretty well there from the municipal sector. So you feel with that a little more defined. I guess I still want to know, is October your deadline? That's what you're looking at?

Hon. Mr. Hutchinson: — It's our target, and we're going to do the best that we can to meet it. We see enormous advantages to the municipal sector partners to be able to conclude an agreement within that time frame, and so that is what we're working hard to achieve. As far as how much work has been done and how much work has yet to be done, my understanding is that a considerable amount of the work that's needed to be done with the cities has been done at the cities' table, but there still needs to be a considerable amount of work done with the other tables, which include towns and villages at one table, rural municipalities at a second, and the northern communities at a third. That's where the bulk of the work still remains to be done.

So while a significant number of hours have been invested and some good work has been done, there's a pile left to do. So I will have to be honest and acknowledge that the October or the end of October or whenever it is that we're aiming for, whatever date it is that Finance provides in specific terms, it's an ambitious goal. There's no question about it. But we're not deterred. And I think that our municipal sector partners are excited about getting back to work quickly. And I think they're also optimistic about being able to reach that target. It's going to take a big effort. There's no question about it. But it's a worthwhile goal, and we all share it.

Ms. Higgins: — Thank you very much. I wanted to go on, and I guess it's kind of tied to this discussion, probably part of it. The government-to-government relationship and how you view that, and you will understand and you will know about this, but how do you see that kind of moving forward? To be on more . . . I mean municipalities are more than stakeholders — which is a word that is much overused, kind of serves the need, I guess, but it still is much overused — and I mean they are. They're more than stakeholders. They're partners, and this government-to-government relationship needs to be developed and defined. What's your views on that area?

Hon. Mr. Hutchinson: — Historically I think it's fair to say that municipal governments haven't felt that they've been accorded the status that is deserved. Municipal governments, coast to coast to coast, as represented in their views expressed at annual conventions of the Federation of Canadian Municipalities, FCM, go something like this. There are three legitimate orders of government. Constitutionally they have different status. True enough. But from a practical perspective, from the perspective of people who work in those levels of government, they are all equal in that way.

If you think about it, whether you're a city councillor from Regina here, as I was, or you're a member of the Saskatchewan Legislative Assembly, as we all are now, or whether you're an MP in the House of Commons in Ottawa, it's as if you appear on the work site wearing the same pair of overalls, and you have a toolbox with slightly different tools in it, and that's probably the only way you could really distinguish them.

What municipal sector partners are saying quite loudly and clearly, and have for a number of years, is this. We do work which is just as valuable. We do work which is just as important, and we need to have the kind of respect accorded to us that the other two orders of government traditionally have accorded each other. That's what municipalities have been

asking for a number of years, and it's the recognition and acceptance of that argument that they're hoping for. They want to be at the table whenever something of a clear interest is being debated. They expect it. And frankly, they appreciate it when that respect is accorded to them.

That's the fundamental thing. There are three orders of government, each with important work to do. You can — and many municipalities often do — make the argument that in some ways municipal governments are the most important in the following way. While some of the decisions which are taken at the provincial and federal levels may not have a direct, palpable effect on the daily lives of people, there's nothing more immediate than the garbage gets picked up today or the garbage does not get picked up today. The pothole in front of your house gets fixed or it does not get fixed. The grass in the park across the street gets mowed or it doesn't get mowed. The recreation facility is open for skating today or it's closed. The buses run or the buses don't. Police are available to help in case of emergency and fire and other protective services, or they're not. That's the essential argument that they're making.

I think what they would ask their partners at the provincial and federal levels is simply understand that theirs is in fact equally as complicated as ours, equally as important, and in some cases more immediate in the way that it touches the lives and daily activities of the citizens that we are all elected to serve.

And that brings up perhaps the other essential point. We are all elected to serve the same people, municipal partners would say. I agree with them 100 per cent. I share that perspective. It's part of the perspective I bring to this House here. We do serve the same people, and we'll probably all be better off in creating solutions which are more effective and better understood if we simply work as three governments together, rather as three governments independently. That's the essential argument, I think.

Ms. Higgins: — Just to change topics here quite a bit, I guess. Previously when this department was known as Government Relations, there was a series of guidelines that were put in place, developed for the Government of Saskatchewan, and it dealt with consultation with First Nations and Métis and the issues around duty to consult.

In Municipal Affairs, do you see that responsibility affecting your department? And I know as the department's been parcelled off into a couple of different areas, does some of that responsibility stay with you and how do you see it affecting Municipal Affairs, the duty to consult? And what are your obligations in that area?

Hon. Mr. Hutchinson: — Good question. Well the one-word answer to the first question is yes. We do believe in this ministry that we share the provincial government's duty to consult with First Nations and Métis peoples. It's not simply a responsibility of one ministry. It's actually something that is shared amongst all ministries.

And I wonder if perhaps our partners at the table might offer a little bit of their own particular interpretation of the mandate. But that's my clear understanding.

Ms. Carlson: — Maryellen Carlson. Yes, our ministry works with municipalities to continue the responsibility of the Crown to consult with First Nations and Métis people on those decisions in which municipalities have final authority. So in our ministry, responsibility for land use and planning will involve the duty to consult obligation and is an ongoing piece of work with the municipal sector.

Hon. Mr. Hutchinson: — Is that helpful?

Ms. Higgins: — Yes. No, thank you very much. Another area that we had had some discussions on and wondered where it was at this point in time was The Planning and Development Act of 2007 and statements of provincial interest. And I don't quite know where this has moved to, what's happened, or what's developed out of it. It was another planning and looking to the future process is my understanding. So, Mr. Minister, if you'd give me just a bit of an update as to where this is.

Hon. Mr. Hutchinson: — I think in order to begin the answer again, I'll ask our partners at the table to provide a little bit of historical perspective as they were the ones that were involved in some of these previous discussions.

Ms. Carlson: — Maryellen Carlson. You are absolutely correct. Work was done between ministries to develop statements of provincial interest that could be used to guide municipalities in their land use decisions. We have nearly concluded that process within government and will move to consultation on those statements of interest in the spring of this year.

Ms. Higgins: — So are you seeking approval from municipalities, from the partners in the process, clarifying some of the issues? My understanding was there was legislation passed. So what are the consultations being done on?

Ms. Carlson: — Maryellen Carlson. The consultations are being done such that the interests of the province are clearly stated, are clear, and can be helpful tools to municipalities. As they make their land use decisions, they are absolutely clear on the position of the province. And it also, I think, works to inform ministries of one another's interest in land use.

Hon. Mr. Hutchinson: — And in the meantime as those discussions go on, municipalities have taken the new legislation to heart. And if you go to, for example the Regina Planning Commission meetings, you'll see that the provisions are understood and they're being acted on, on a daily fashion. It's become the new norm for operation at city level.

Ms. Higgins: — Thank you. Another area — I know there's been a number of press releases over the past few months about a number of different issues and we'll touch on those maybe a little later. But looking at the revenue-sharing issue . . . revenue sharing? Yes it was the revenue-sharing one. The primary weight road corridors, that funding has been shifted in the budget, like moved out of revenue sharing. Wasn't it part of revenue sharing previously? No? . . . [inaudible interjection] . . . Oh okay. Anyway is it continuing on? And there was an increase proposed last year. Is that increase still here?

Hon. Mr. Hutchinson: — My understanding is as follows. In

the previous budget, the fiscal year that's just winding up now, \$5 million was included in order to support the new initiatives suggested by SARM as part of the Clearing the Path discussions. Primary weight is a program where a number of rural roads, gravel surface roads, can be upgraded so they can carry the heavy weights of the super-B and other . . . those sorts of things.

Anyway the bottom line is, is that there was some discussion at the time if I understand correctly, about the possibility of doubling it and that's something that the SARM partners would really like to see. And we've incorporated that extra \$5 million into the current budget. And perhaps Ms. Carlson can talk about what happened before and that context.

Mr. Olsen: — Harley Olsen. I believe that the primary weight corridor at one time was included in the revenue sharing, but it was moved out as a separate item and it still remains there as an item. And it has been doubled this fiscal year.

Ms. Higgins: — Okay. Was the full 5 million utilized last year?

Hon. Mr. Hutchinson: — I'll ask for some advice from our officials if we can, ma'am.

Ms. Carlson: — Maryellen Carlson. 800,000 was not utilized last year.

Ms. Higgins: — So that will just move forward into this year's money.

Ms. Carlson: — No. That was distributed as unconditional revenue sharing.

Ms. Higgins: — Unconditional. Okay. So have projects for the new year been tendered? Tenders have been let?

Ms. Carlson: — Maryellen Carlson. We have received applications from the municipal sector at this time.

Ms. Higgins: — With the success of this program, do you see it continuing into the future, Mr. Minister?

Hon. Mr. Hutchinson: — That's an excellent question. There will probably be a continuing need for this and we would certainly want to chat with our colleagues in SARM. It's the roads in the rural system that we're talking about, and they're the official representatives of our rural municipalities. My guess at this early stage is that they will probably identify a continuing need. We're working together with the Highways and Infrastructure people in order to get some more information around that. The discussions include all of us around the table.

A little early to predict at this point, but I think it's probably a reasonable assumption that SARM will say that this is a great start, but there is more work to do. The whole purpose of this, if I can just put it into the right context, is to try to unlock what we're calling economic corridors. There isn't any need and in some cases there isn't any desire to funnel some of this heavy-weight traffic on to the paved highway systems, especially if in doing so you need to access and use the TMS surfaces, the thin membrane surfaces.

The heaviest weight trucks that we now have to carry oil patch traffic and grains and potash — some of those other commodities — simply were never designed to withstand that kind of traffic. It's much more successful if you can actually route them down rural roads. It works just as well, and they're cheaper to build and maintain. So it's a more effective use of dollars.

It's an excellent idea, and I see a future for the concept.

Ms. Higgins: — Thank you very much. Another issue that I know additional money was put into last year, and it's something we might not always take into consideration when we're talking about revenue sharing and especially the rural municipalities, there are many small towns, hamlets, villages that often dissolve and become part of the municipality. And there was a program that was initiated — I'm not even sure how long ago — but it was called the Communities in Transition program.

And it is a big concern when you look at rural municipalities, population shift, and the demographic changes that we see in the province. You know, you often drive by very small locations, but there's still a need for upkeep. There's still a need for assistance. There's still a need to provide services for the folks that are still living there. And this can put a real strain on rural municipalities.

So is this program continuing? And has the funding been maintained or improved or where does it sit right now? And how does it . . . And you could probably give us a bit of background, Mr. Minister, on how it works. That would be helpful I think also.

Hon. Mr. Hutchinson: — Well the short answer to the initial question is, yes, in fact there is funding in the budget. The program is being continued. And because others were at the table earlier on when the program was initiated, I think we'll rely on some of their comments to get the discussion going if we could, please.

Ms. Carlson: — Maryellen Carlson. The program was utilized this year by a number of RMs who made application to get some funds to match their own contribution to do a number of things in some of these villages that were dissolving, everything from repairing failing water infrastructure in some cases, to ensure the health and safety of the people that lived in these small communities; in some cases to close down a piece of infrastructure that, you know, the life had been exhausted; and in some cases to actually push down derelict buildings if that represented a physical hazard.

We had a number of RMs apply. The program, as the minister pointed out, is continuing in this next year. There has been one small adjustment to the program and that is now to include the opportunity for rural municipalities to apply for some funding to do a bit of a feasibility study. What would be the consequences to both the residents and their municipalities if they were to, one to dissolve into the other? And also there are always administrative costs associated with dissolution. Often there are legal matters that need to be attended to, accounting for the former village that needs to be resolved, and so the program has been extended to include some of these costly

considerations.

Ms. Higgins: — When you talk about costly considerations, I guess one of the things that pops to mind is I'm sure we can all think of a small town or hamlet that has lost a bit of its lustre over the last number of years, and there's always a gas station that is closed down or a . . . I mean it could be an implement manufacturer or dealer, whatever. I mean that we all know that our environmental awareness has changed drastically over the last number of years. So will this program help with those types of cleanups? Does it go that far? Or is it more buildings, updating services that are needed? Will it go in to help with environmental cleanups to that extent?

Ms. Carlson: — Maryellen Carlson. Yes.

Ms. Higgins: — It does.

Ms. Carlson: — It does. The program does recognize though that if there are other programs either at the federal level or programs that arise over the next couple of years that are specifically dedicated to that, that we would expect municipalities to go there first. But in the event there is not other available funding, that this program would consider that an eligible application.

Ms. Higgins: — Now can it be multi-year funding for a project? Like, that would be fairly large. Or is, and is there a cap, I guess, on the money that you can receive out of the program?

Ms. Carlson: — So in answer to your question, there is a cap on the administrative cost that will be covered and that's \$10,000. There is a project cap of \$50,000, but there is leave for the management committee to consider noteworthy projects that have a substantial impact on the community. And health and safety would be one of those, to consider a larger allocation, if that's appropriate.

Ms. Higgins: — Good. Thank you very much.

Hon. Mr. Hutchinson: — You know, you raised a very interesting question there, ma'am. For example, at both the SUMA and the SARM conventions that we recently attended, several of the delegates raised the question, you know, what do we do about environmental cleanups? Now they're becoming more sensitive over the years, as you stated. That's absolutely the truth. So this is an issue that requires some attention, there's no doubt about it.

Ms. Higgins: — Thank you. Mr. Minister, one of the issues that I think we're all aware of is that in Saskatchewan, a province as large as it is, one of the challenges is always providing equitable services from one end to the other and being able to address the needs of citizens across the province. And that being said, I know the northern municipalities and northern communities have always had more difficulty having the resources and having that tax base, I guess, for their own-source revenues.

While we can always look at the mining and, you know, all the industry that is there, it's still located in kind of specific areas around the North. It's not as broad and widespread as we would

like. But anyway, it's always a challenge in the North for infrastructure and to maintain the services.

What kind of programs do you have that would address more the northern municipalities? And I guess I think back to my time in the Department of Education, and there always was a different consideration given to northern municipalities because of the distance and many other factors that come into play when you're in northern Saskatchewan.

Hon. Mr. Hutchinson: — That is another good question. Yes, there are very specific and significant challenges with trying to provide services up there. The unevenness of the population, the very low density of the population; even where there are folks, the uneven distribution of assets like mines, etc. — these are all tremendous challenges. The tax base is a challenging issue, as you have mentioned. Also simply the cost of getting people and materials up there to build stuff.

As you will know from your time in Education, on the capital side costs always cost more to build a school or to repair a school north of Prince Albert. As soon as you get up past there . . . And sometimes the construction season is so short that you ferry in materials in the winter and then you build with them in the summer, and that's about as far as you can get. So the length of construction projects increases dramatically, and the amount of money that has to be carried over, invested in a project by contractors, gets out of whack with what's happening in the South too — big, big challenges.

The amount of revenue sharing on a per capita basis is higher in the North to try to accommodate that, and that's a useful first step. When we get back to the table with the northern municipalities in discussions about revenue sharing, this will be a prime opportunity to chat about what their most recent experience is. So we're looking forward to that opportunity. We have the programs in place. What do we do about them? Are they adequate? Do they need to be tuned up? That will be an opportunity for them to provide some advice.

Ms. Higgins: — Now you touched on a couple of things just now in your comments that just brought another couple of questions to my mind. First I guess just kind of an afterthought as to an earlier discussion. Are the northern municipalities invited to the discussions on Monday with the possibility of increased revenue sharing? They're included in that also? Deputy minister is shaking his head yes, so I'm . . . Well just to the deputy minister, just so you're aware, it works better in *Hansard* if you actually say something. I don't . . .

Mr. Olsen: — Thank you. Harley Olsen. Yes, they are participating in the meeting on Monday.

Ms. Higgins: — On Monday.

Hon. Mr. Hutchinson: — Oh yes, by very specific invitation.

Ms. Higgins: — And, okay. No, that's good. I was sure you had said it, but I just thought I would double-check. So thank you very much for that. And also you talked about the formulas . . .

Hon. Mr. Hutchinson: — Some program details that might be of some value, ma'am, and that's to provide a little bit more

detail about some of the services and programs that are provided specifically to the North. We have a special northern water and sewer program which helps out. There is the capital grants program. There is an emergency program for water and sewer. Lot development, subdivisions, there's special help for that, as well as the revenue sharing. So there's a number of programs that will be of specific help to the North, that are unique to the North recognizing the special challenges they face.

Ms. Higgins: — Thank you very much. When we talk about revenue sharing and the formulas that are used for distribution of funding . . . And I apologize. I write these questions down as they pop into my head, and I don't often get them into any kind of order. So it'll give you a bit of exercise tonight flipping through your pages and all the thoughts you have stored. But anyway when we talk about revenue sharing and how it's distributed, what are the differences in the formulas that are used? And I know we often talk about on a per cap basis, but I also know that with the rural municipalities we do it differently with miles of . . . I don't know whether it's all roads or grid roads, but that is factored in somehow.

So could you just go over the different formulas that there are for disbursing revenue sharing or the disbursement of revenue sharing and how the calculations are done and if there's any discussion.

And I don't know if this would be, I would assume, included into the strategic plan and the tables of discussion to reach a final long-term revenue-sharing formula that we would always also look to removing some of the inequities. Because I'm told that there are some odd things that are used in different areas that, you know, I don't have a lot of background on them. But you know, they will strike different people different ways, and you will hear about them at different times. So if you could just touch on the different formulas that are used, the different ways that are used, and some of the inequities that are a problem and need to be dealt with.

Hon. Mr. Hutchinson: — Well Ms. Carlson has already got some facts and figures at the ready to help start the discussion, so I'll allow her the opportunity if I can.

Ms. Carlson: — Maryellen Carlson. The cities have a straight per capita distribution model, so in this budget year they would have received \$94 per capita in the distribution in their pool. The towns and villages represented by SUMA agreed to change the distribution formula last year, and their distribution formula now is a base. Everyone gets a base of \$2,025 and then a per capita allocation on top of that. And in this past year they got \$109.39 per capita.

You're absolutely right. The rural pool is more complicated than that — 20 per cent of the pool is conditional programs so there is a program for heavy-haul roads. There's a program for communities in transition, for roads and bridges, and so there's 20 per cent of their pool falls into those programs. The remainder is allocated based on a rolling average of their operational costs and the kilometres of road that they have. And so that is very unique to each municipality.

You are correct when you say in the North, in this case, there

are some elements of the distribution formula that need modernization. It is currently a cumbersome formula with equalization and a northern factor and a bunch of things. And so we are currently undertaking a process to modernize their distribution.

Hon. Mr. Hutchinson: — I could add one or two comments to that excellent summary. It's my understanding that the agreements which are in place for the other sectors are at least reasonably current. But the one which is out of date and needs a little bit of repair and renovation is the one with the northern communities. And we're waiting to get back to the table with those folks to continue those discussions.

It's an enormous challenge, as you had mentioned before. Simply the distances, the size of the place, tiny populations — big challenges; need special consideration.

Ms. Higgins: — So then when we talk about a long-term revenue-sharing program and tied to whether . . . I mean tied to provincial revenues, whatever, I mean it sounds very simple, right? I mean if you say it quickly it sounds pretty simple. So I mean when you look at this and, I mean, what's used now? A number of different formulas to address different situations.

What are we looking at, I mean hypothetically when we look down the road to having a permanent solution in place, hopefully when we look to the fall when we have a permanent solution in place, how many formulas do you expect to have? I mean it's not actually ever going to be just one that's going to fit every municipality, every city, every town right across the province. So I guess it is kind of oversimplified when we talk about a long-term revenue-sharing program. I guess program is a more appropriate word because it will cover the different scenarios.

Hon. Mr. Hutchinson: — Right. I think the best answer I can provide at this early date in advance of having had a chance to meet with — well let's just use the last example — our northern communities, it's a bit early to tell what the final product will be. It may be not possible ever to have one single, unified formula that adequately addresses the varying needs of all of our different regions and communities and sizes and different desires too.

We've got a model in place now. The first thing that I would like to discuss with them, I think is, how well is the current one working and where in particular would you like to see some changes made? Once we fully understand those comments, then we'll have a much better understanding. I would hope, of whether minor innovations — if we could do it — small revisions to the existing program are the most likely solution or whether some broader changes are necessary. But I think it is a bit of a stretch, I would agree with you, to imagine a day when just one formula will suit all of the problems. Perhaps it's possible and it might be advisable but at this early outset I suspect it's very difficult to achieve.

Ms. Higgins: — Thank you very much. Now to head to another area. The Municipal Financing Corporation of Saskatchewan, what is the difference between the Municipal Financing Corporation and SIGI, I think you refer to it as?

Hon. Mr. Hutchinson: — SIGI is the acronym that's been provided by our colleagues at Municipal Affairs. It just cuts down by about several minutes what otherwise would take . . . Yes. Anyway the bottom line is, is that with the . . . Let's start with the SIGI program. The purpose of that, as we had said, is to create a loan pool that's available for municipalities to access interest free for a period of five years in order to help them get the money needed to provide that new infrastructure for subdivisions and therefore accommodate the demand for growth.

Where do they get the money is actually the next question. Traditionally Municipal Financing is the source, but it doesn't have to be. And we've actually had the chance to chat about this in specific detail with them. They would be delighted to be a lender of choice for municipalities, but they're equally comfortable with municipalities going elsewhere.

There might be good reason in any specific community to go to, for example, the local credit union or local bank. There might be an excellent long-term working relationship. There might be rates that are the same and, you know, you want to keep the relationship alive, etc., etc. There could be some really good reasons for continuing down that path.

Municipal finance is comfortable with either one of them. They're okay with this. And we actually reviewed their loan portfolio and we said, what about capacity? If there are some new loans that are arranged through the SIGI program, are you comfortable? Do you have the resources? That kind of thing. We've had some discussions of that kind. So we have a fairly decent understanding of the future as they're seeing it.

Ms. Higgins: — So when you put forward the proposal to create SIGI, why would you not have just removed the interest from Municipal Financing? I'm not sure what the difference is — whether you just wanted, as politics, highlight this money is available for municipalities to borrow. Why would you not have just removed the interest rate from the Municipal Financing Corporation for a specific area instead of creating a whole new process?

Hon. Mr. Hutchinson: — Well there were some technical discussions with the partners about that. And I was wondering if perhaps Ms. Carlson could fill us in on some of the details.

Ms. Carlson: — Maryellen Carlson. During the discussions with the sector, they did express a desire for a couple of options in the program. The first was to borrow from the municipal financial corp or to borrow from their local lending institution if that was appropriate in their case — perhaps due to other business they were doing, support for the local community, or there may be a number of other reasons. So because of the duality of the program, you can borrow from either. I believe it was felt that this process would work.

Hon. Mr. Hutchinson: — The bottom line from my perspective, ma'am, is that here again we were trying to provide a couple of different avenues. We respect the fact that there's a good working relationship between municipal finance and a large number of Saskatchewan's communities of various sizes. And they do maintain an ongoing loan portfolio, as you know. And the details are all in their annual report.

But clearly there's another option available and that's to go to the local credit union, for example. We just simply wanted to try to respect that choice and build it into the program. And it was actually something that the municipal sector partners at the table during the discussions at the creation of the program asked of their own accord.

Ms. Higgins: — So, okay. Now run this by me here. So if I was borrowing money for a new development in my community, as the council I could borrow the money through the local Royal Bank or whomever would lend it to me, credit union . . .

Hon. Mr. Hutchinson: — Indeed.

Ms. Higgins: — And it would come through this program? Is that what you're saying? Or I can go either/or — through the program or through local. Is that what you're saying?

Hon. Mr. Hutchinson: — Well if you were to negotiate a loan with your local credit union or bank, that would in fact be the source of the dollars. So there's definitely a distinction that you need to recall.

Ms. Higgins: — But you're saying you wanted the duality of the program, being you could either go to Municipal Financing or you could go to SIGI.

Hon. Mr. Hutchinson: — Well you don't actually go to the program for the dollars. If you wanted to negotiate that loan, for example — let's say it was \$1 million to help with the infrastructure in a residential subdivision — if your choice as an individual municipality was to go to the credit union that you as a municipality normally do business with, you've got a line of credit there and all these kinds of things that are typical with municipal finance. What we wanted to do at the specific request of municipal partners at the table talking about the future of the program was to allow that opportunity to continue. You can still go to that financial institution and actually get a loan directly from them. What the program does is provide a pool of money through which the Government of Saskatchewan then writes down the interest to zero for a period of five years.

Ms. Higgins: — So you're not actually loaning the money. You're covering the interest.

Hon. Mr. Hutchinson: — In that particular case, you bet.

Ms. Higgins: — Okay, okay. Now I have got a complaint, had some preliminary discussions with a few folks that have talked about applications for this program. Now whether they're in the development stage, when you go to the website, there is nothing there saying it's being reviewed. I heard somewhere, but, I apologize, I haven't had time to go back in and go through and look for the actual applications. But I'm told that they are quite complicated, quite involved, and that there are some smaller communities that feel that because they have one or two or one full-time, one part-time staff that they really are going to be left out of the loop on this program, that they will not have the capability to put the time and effort and have the expertise that's needed to fill out these applications. Are they that complicated?

Hon. Mr. Hutchinson: — Well I think I should defer to

officials for a little bit of a discussion of that one. That's obviously a subjective thing.

Ms. Carlson: — I'll begin by answering the first part of your question. Applications are on the website, and every municipality has received a package that gives them an application guide and a hard copy application for their use.

In the development of the program, we had municipal representatives guide the program, and we had both elected and administrative staff work with us to shape what the application would look like and how the program would be run and how projects would be ranked. At no time did the Municipal Affairs officials, you know, design the program in isolation.

It was felt that SIGI should be a competitive program. It was felt that communities needed to apply and make a business case for the money, and so there is a guide that the committee developed to rank these applications based on their ability to sell the lots, the demand for lots in their area, the economic development that was going on and therefore highest and best use of funds. There was a discussion about, you know, the preparedness of municipalities in terms of having plans in place and that they could use this money quickly. And so what you see in the application and in the guide stems from their input and guidance to us.

Hon. Mr. Hutchinson: — The other thing that I could add that might be helpful in answering the question is as follows. We've had the chance to talk to, gosh, a couple of thousand delegates, I guess, give or take, at the SARM and the SUMA conventions combined. And although we had a tremendous number of folks express a real interest in the program, nobody seemed confused about the process. They were simply wondering, okay when does it start?

And as soon as the applications came online, there would be any and all opportunities for SUMA and SARM — either individual municipalities or SUMA and SARM as organizations representing them — to come forward and say to me personally, we've got some problems with this. And I actually haven't received a single complaint about it. So we're thinking that so far, so good.

Ms. Higgins: — So was there . . . I want to know, I guess, a bit more about the rationale behind setting this whole process up. Is there a difficulty for municipalities accessing financing?

Hon. Mr. Hutchinson: — I would put it this way. What we found was that if there is . . . We felt that we were on the leading edge of a period of sustained and dramatic economic growth in the province. That inescapably will mean that there will be physical growth of communities, and there are three typical things of course — residential subdivisions and commercial and industrial. What we recognized was that it would help those municipalities accommodate that growth if we were able to make a pool of money available that they could borrow at no cost, thereby lowering the overall cost of providing that infrastructure.

Ms. Higgins: — Well when you look at cities in Saskatchewan, they have some pretty high credit ratings and some pretty good reserves, not overflowing but they have got . . . They're not

hurting financially when it comes to the ability to borrow and the credit ratings that they have. So this was just kind of a bit of icing on the top of the cake?

Hon. Mr. Hutchinson: — I wouldn't put it that way actually, and I think if you have an opportunity to chat with the various cities, just to use those examples, you'll find a fairly significant range in ability to borrow and in the reserves that they have on tap. I think it varies very significantly. And some of the folks that we've talked to have said that they may not be able to have the borrowing capacity to meet all of the needs that they can imagine, and there are some others that are in better condition. You know, it varies just like it does with province and territories within the country overall. There's an enormous difference in situations, even amongst the cities, and then if you fill the towns and villages and RMS and northern communities in there, there's, gosh, there's everything from one end of the spectrum to the other and everywhere in between.

So really what we were trying to do is to simply say, can we possibly create a program that would be advantage to those who need it, to borrow money at zero interest and actually built the infrastructure needed to attract and accommodate the growth that we're perceiving as being just around the corner? And they've said that they're delighted with the results. It may not be the right solution for everybody, but it's the right solution for a large number of them.

Ms. Higgins: — Well I mean, anyone who is offered the opportunity to borrow money free of interest, I think most of us would jump at the chance. So I mean it's, I mean we can get into the details whether it's worthwhile or not.

In your discussion . . .

Hon. Mr. Hutchinson: — Oh but it's not money for any purpose that you can possibly imagine.

Ms. Higgins: — No, no. No, I understand. I understand that.

Hon. Mr. Hutchinson: — It's specifically limited to building new infrastructure for new development. So municipalities, whatever size they might be, whatever their borrowing capacity, really don't have the opportunity to simply get into the lineup and get dollars through the SIGI program for anything other than its specified purposes.

And the other check and balance that we put into the system is that there is a peer review. The applications will be reviewed by municipal peers so that those folks who helped to establish the criteria for lending in the first place are going to be those folks who actually adjudicate the applications on an ongoing basis. So we're very satisfied that the program will work as intended.

Ms. Higgins: — Well when municipalities aren't having a difficulty accessing financing, I don't know what issue it solves other than to make a situation that's pretty good even better. So in your discussions when you set this up, did you ever consider when you look at the areas that are opened for borrowing money through the municipal financing corporation — you can look at schools, you can look at hospitals, you can look at other community construction and infrastructure — have you ever considered or did you consider when you put SIGI in place that

other municipal . . . because your government has said there's a real need for infrastructure. There is a huge rebuilding process that we're going through. The economy's growing. The province is growing. There's needs that are out there. So have you considered doing this also for schools, hospitals, other community assets that need to be renewed at this point in time?

Hon. Mr. Hutchinson: — It's an interesting thought. The specific intent of this program was to assist urban and rural and northern municipalities meet their specific infrastructure needs, which of course don't include health care facilities and schools and things other than what municipalities themselves are required to finance and build.

The other thing that we should mention is, one of the checks and balances in addition to the peer review process for the SIGI applications is the Saskatchewan Municipal Board, which ultimately the final authority in helping to determine the borrowing capacity of individual municipalities. So there's that check and balance built into the system as well.

Ms. Higgins: — Okay. We talked a bit today about the review of the northern municipalities. I've seen the discussion paper that was put out, I think, December . . . wasn't it early December? Am I missing something here? Was it December? Okay good. I thought I was thinking of something else for a minute there. It's been a long day.

So what kind of timetable, Mr. Minister, do you have for moving along with this whole review process, and what's kind of the end game of all this?

Hon. Mr. Hutchinson: — Well I'd like to get the officials' perspective on that. And I think they're doing a little bit of conferencing right now, but when we get . . . Surely that needs to be one of the pieces of the debate with our northern partners at the northern communities' table with respect to the overall revenue-sharing agreement. It's one of a number of issues that we'll have to debate with them.

Mr. Edwards: — The review that you're referring to has been under way for some time. The ministry put in place a review committee with New North members that were selected by New North to initiate a full review and ultimately rewrite of The Northern Municipalities Act.

The committee has met a number of times, several days at a time at each occasion, to look through The Northern Municipalities Act as it exists and make comparisons with The Municipalities Act that's used in the South to determine which kinds of provisions from the southern legislation they wanted to incorporate. It's part of the overall renewal of Saskatchewan municipal legislation.

The committee also identified a number of specific issues that they wanted to focus on in the North. So some preliminary proposals were developed through the work of the committee, and the discussion paper that you are referring to was prepared so that we could go through a more extensive consultation process. We're well along in that process. We've consulted using that paper and other materials with other provincial ministries with a variety of external stakeholders. We've done six regional workshops in the North with northern

municipalities' representatives. We also invited to those First Nations and Métis locals if they wished to attend, and some did.

Basically the input that we've received from those three different streams of consultations was taken back to the review committee earlier this month. And we're working through the process of refining the proposals that are posted on the website along with the discussion paper.

We've also initiated a more formal duty-to-consult process where some information about the proposed new legislation has gone out to First Nations and Métis locals. And we haven't received that much response yet, but the timeline that we had established for that hasn't expired either.

The timetable basically for the new legislation is to try and bring it in to the House in the fall and have it in place for the start of 2009.

Ms. Higgins: — Would the Department of Municipal Affairs be involved in land-use planning?

Mr. Edwards: — Yes in the North.

Ms. Higgins: — In the North?

Mr. Edwards: — We are, although because so much of it is Crown land, other ministries like Environment play a big role.

Ms. Higgins: — Good. No, thank you very much. That's very helpful. Thank you.

Just an aside. With the issues that we've seen on the news the last couple days about the flooding up near P.A. [Prince Albert], and I don't know what the prospects are . . . I mean I know Arborfield, that area, has had just some horrible — in the northeast, kind of north central, northeast — they've had a couple terrible years of flooding, other issues, roads washed out. I mean we were there during one period near Arborfield where it was amazing to see culverts just blown right out of the roads. The roads, it was amazing, terrible amount of damage.

And with the flooding near P.A., when you get into this whole issue, I know there was some discussion — may have been a year or so ago — P.A. and some land-use issues had to do with flood plain. Was that ever resolved? Or was there ever any changes made? The area we were dealing with then, is that what is being flooded now? Or are we talking about two very separate areas and distinct events?

Hon. Mr. Hutchinson: — Well two separate areas is my understanding, and perhaps the associate deputy minister may be able to offer a little bit more useful detail.

Ms. Carlson: — I would offer the comment that the discussion with P.A. about their land use in the flood plain is under discussion at this point. It has not been resolved.

Ms. Higgins: — Okay.

Hon. Mr. Hutchinson: — I have actually had a chat with Mayor Jim Scarrow of Prince Albert, and one of things that we touched upon — although briefly — was the issue of the flood

plain, and we know that they are aware of it as a planning issue. We know that the discussions are ongoing, and it is challenge. There's no question about it.

Ms. Higgins: — Okay. I know in the past couple of days you and I have had a few comments back and forth during question period, and you have made some comments comparing this year, 2008, to 16 years ago and decisions that were made that affected municipalities. Mr. Minister, can you tell me what the cost of servicing debt is in this 2008-09 budget is?

Hon. Mr. Hutchinson: — Perhaps our officials can actually pinpoint the actual number.

Ms. Higgins: — Well I'll tell you. It's \$535 million and on a total budget of \$9.1 billion. So that's 5.8 per cent. Do you know what servicing debt was in 1994-95 budget? Do you have any idea?

Hon. Mr. Hutchinson: — No but I think you have the answer.

Ms. Higgins: — It was \$882 million. And do you have any idea what the total budget of the province of Saskatchewan was in 1994-95.

Hon. Mr. Hutchinson: — I'm looking for your advice there.

Ms. Higgins: — \$4.28 billion, which was a 20 per cent of our total . . .

Hon. Mr. Hutchinson: — Debt to GDP ratio?

Ms. Higgins: — Twenty per cent. So I will say to you, Mr. Minister, there was some serious considerations in '94-95. And it may suit your political purpose to compare what the Government of Saskatchewan did 16 years ago, but I will say to you with those types of figures, you will clearly understand that there was some very serious consideration and different priorities at that point in time. And my understanding was no. My understanding was the minister at that time was very clear with municipalities that there needed to be some drastic decisions because of the situation that the province was in. And I'm sure you're aware of that because I'm sure you were in municipal politics at the time, pretty close anyway. You would have been fairly active . . . [inaudible interjection] . . . '94? Well see you would have been, you would have been involved in that. So while you can talk about \$300 million that was taken away from municipalities at the time, I guess I could say to you, you have the money in the bank to put it back. So the ball's kind of in your court now.

But there is some really stark differences between the situation you're in today and what the situation was in this province in '94-95. So while it may be cute question period fodder, it's not particularly accurate.

Hon. Mr. Hutchinson: — Well I beg to differ. I would put it in this perspective. The complaint that municipalities had during that period of time was that while money was obviously found for other programs, municipalities were asked to go without. That's the enduring complaint. And the argument that was made then — and actually it's even more important today than municipalities even imagined possible back then — is what is

the cost of ignoring infrastructure? And clearly it's the first thing to go in any and all cases.

There is no way to simply stop paying a police department. You can't do that. There's no way to stop paying the fire department. You can't stop mowing the grass. You can't stop running the buses. You can't stop keeping the rinks and arenas open. All of these things — there's incredible variety of services that's provided to residents by municipalities. The operations simply is beyond debate. You simply don't get the opportunity to cut those things. The only option that municipalities realistically have when faced with the kind of challenges of downloading that they faced in the 1990s is to cut infrastructure. It's the only thing they can do.

The cost of neglecting infrastructure, it used to be huge. Now it's astronomical. This was all during a time when the cost of construction was advancing at roughly the same as the cost of inflation — you know, 2 or 3 per cent on an average. There was an era when that was the cost of increases annually that you could expect in the cost of construction. But in more recent years the costs have really spiralled, and the inability for the system to catch up fast enough has put municipalities so far behind the eight ball. That's where these extraordinary numbers are coming from. Simply allowing a situation to occur whereby they got behind the eight ball and then of course the spiralling construction costs — that's the genesis. Those two things are the genesis of the problem that we see today. It's an extraordinarily large challenge.

Ms. Higgins: — Well you will find I'm sure, over the coming years, that there are always difficult decisions to make. And you always make what you feel are the appropriate decisions for the time, with the resources and the knowledge and the understanding that you have. And now it's your turn, so we'll see.

Hon. Mr. Hutchinson: — If I can just simply end that part of the discussion with this comment. The inescapable fact . . . And whether all might consider it fair or not is always debatable; that's true. But the inescapable fact from the perspective of municipalities that went through that year, it was they felt that they weren't being heard and they felt left out. And the problems that resulted, they will say, are because of those circumstances, as regrettable as they might have been.

Ms. Higgins: — Well when the province was carrying a debt load such as it was in the early '90s, that is phenomenal when you look at servicing the debt being almost \$900 million per year on a budget that's less than half of what we have right now. So I mean, it was staggering. Anyway that's history.

I want to say to you I look forward to hearing some type of announcement for the municipalities and the commitment that the Premier has made and you will address — I'm hoping — quickly. Municipalities are in a difficult position, and you're well aware of that. And if any support, any more support, additional support can be sent their way, you know and we all know that it would be greatly appreciated.

But my colleague, I've really dominated the whole two hours here . . . well hour and a half. You only left me an hour and a half. And I'm not letting you get away with that one. Do you

have any questions? Any . . . sorry.

Mr. Wotherspoon: — No I don't think that I do. Thank you. It's pretty bad . . .

Ms. Higgins: — That's right. That's the way it works. Anyway I think we're pretty well at the end of our questions right now. We do have a number of . . . I guess do I have time for one more?

The Chair: — Yes.

Ms. Higgins: — Mr. Minister, there is one that I have been rather curious about. I attended an event at the Regina airport where you announced the multi-modal. There was discussions about the Asia-Pacific gateway, the corridor, and corridor initiative. There wasn't an awful lot of detail at the press conference. There was \$27 million that was committed on behalf of the federal government. I believe the project was a total of about \$93 million. There was no detail from the province. They said they were onside. CP [Canadian Pacific] Rail is onside. But there was no more detail as to what the province was committing or what CP Rail would be committing to — some discussion about not investing in the buildings or, you know, who was investing in what area, who wasn't, but not a lot of detail.

But at the end of the press release, it says the funding announced today “. . . is conditional on [the project] meeting . . . eligibility requirements under the Building Canada plan . . .” but yet when you signed the Building Canada infrastructure plan the other day and announced it, it was stated then that the intermodal facility was not coming from the Building Canada Fund. Am I recalling this correctly or not?

Hon. Mr. Hutchinson: — Well I can answer the question just in general terms that my understanding is, is that the dollars there would come from a different funding envelope, but it's really a Highways and Infrastructure project. So I'd have to defer questions of that level of detail to them.

Ms. Higgins: — So we don't know if the money for the intermodal . . . Well the press release says it's contingent upon the agreement being signed. I don't understand.

Hon. Mr. Hutchinson: — It's more detail than I actually have available to me at this point, ma'am, and certainly the Highways and Infrastructure folks would be able to answer that question more satisfactorily than I can.

Ms. Higgins: — Okay. Then it's something I could direct in their . . .

Hon. Mr. Hutchinson: — I believe so. Yes.

Ms. Higgins: — Okay. It doesn't make sense but . . .

Hon. Mr. Hutchinson: — And just to tidy up the discussions immediately previous, I agree with you 100 per cent. Any extra dollars that can be allocated to municipalities will be appreciated and well used. There's no question about it, and timing is very important.

Ms. Higgins: — Thank you very much. Mr. Minister, thank you very much. It's been a long day, but I do appreciate you and your officials being here this evening to answer questions. I'm hoping we have a little bit more time somewhere along the way. We've still got another few weeks to go before the end of session. I know my colleagues . . . There's a couple others that have some questions, but I do appreciate you and your officials spending the evening with us. Thank you very much.

Hon. Mr. Hutchinson: — Well on behalf of all my colleagues here, it has been a pleasure. Quality questions, hopefully satisfactory answers, and we hope that it's been a useful process tonight.

If I could just offer a couple of summary comments here.

An Hon. Member: — No.

Hon. Mr. Hutchinson: — No? It wouldn't actually take a half an hour. I'm not sure if this is even customary, but, you know, this is a really useful process. I've found it very informative and quite enjoyable actually. I understand that there may be an opportunity now for other members to ask questions if they have any, is that the typical practice? Mr. Chair, if you could help me out in that I'd appreciate that.

The Chair: — Yes, we're scheduled until 8 o'clock, so we've got . . . If you've got one more question, we can close, or actually we're scheduled to a little after 8, but if there's anything more.

Hon. Mr. Hutchinson: — Is there opportunity for other members in the room to . . . There are several members on this committee, if I understand correctly. Do other members get a chance to ask questions if they wish?

The Chair: — Yes they can, yes.

Hon. Mr. Hutchinson: — That's the kind of thing that we're normally to expect?

The Chair: — We've given the majority of the opposition, if you have anything more they can . . . because we will be sitting here till 8.

Ms. Higgins: — Because there are . . . Just to let you know, I know, because we are this late in the evening, normally what will happen is, other MLAs that have questions to ask of Municipal Affairs or whatever department may be up for estimates that evening, members will kind of come and go, move in and out throughout the couple of hours. It's just that this evening everyone is booked here, or they are at other places, so you just had the pleasure of just a couple of us tonight. So we'll . . .

Hon. Mr. Hutchinson: — So busy times, and people are doing different things.

Ms. Higgins: — No, it is. But normally that's the process that's followed.

Hon. Mr. Hutchinson: — Okay thank you very much for that explanation.

Ms. Higgins: — Thank you.

Hon. Mr. Hutchinson: — Mr. Chair, is there anything that I can do to help out at this point?

The Chair: — This being the hour of adjournment then. Thank you one and all. We don't need a motion to adjourn because we've gone past 8. I've just been informed.

Hon. Mr. Hutchinson: — Thank, Mr. Chair, and thank you members.

The Chair: — Thank you one and all.

[The committee adjourned at 20:01.]