



# **STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE**

**Hansard Verbatim Report**

**No. 14 – March 9, 2009**



**Legislative Assembly of Saskatchewan**

**Twenty-sixth Legislature**

**STANDING COMMITTEE ON INTERGOVERNMENTAL  
AFFAIRS AND JUSTICE**

Mr. Delbert Kirsch, Chair  
Batoche

Ms. Deb Higgins, Deputy Chair  
Moose Jaw Wakamow

Mr. Fred Bradshaw  
Carrot River Valley

Mr. Greg Brkich  
Arm River-Watrous

Mr. Michael Chisholm  
Cut Knife-Turtleford

Ms. Joceline Schriemer  
Saskatoon Sutherland

Mr. Trent Wotherspoon  
Regina Rosemont

[The committee met at 15:00.]

**The Chair:** — Good afternoon, ladies and gentlemen. We're here to look at supplementary estimates for Justice and Attorney General, vote 3; and Municipal Affairs, vote 30.

**General Revenue Fund  
Supplementary Estimates — March  
Justice and Attorney General  
Vote 3**

**Subvotes (JU01), (JU03), (JU04), (JU08), and (JU11)**

**The Chair:** — So we'll start with Justice and Attorney General, consideration of supplementary estimates for Justice and Attorney General, vote 3 found on page 14 of the Supplementary Estimates book. And we'll try in the interests of time to keep the questions on the supplementary estimates. And I would welcome the minister and if he'd like to introduce his officials.

**Hon. Mr. Morgan:** — If I could, Mr. Chair, thank you, I'd like to make a very brief opening comment. I'd like to introduce the officials. At this table, I'm joined by Doug Moen, deputy minister and deputy attorney general, and by Lee Anne Schienbein, executive assistant to the deputy minister of Justice. At the table immediately behind us is Betty Ann Pottruff, executive director of policy planning and evaluation; and Gord Sisson, executive director, corporate services. At the back of the room is Rod Crook, acting assistant deputy minister, regulatory services; Ken Acton, acting assistant deputy minister, courts and civil justice; Lane Wiegers, senior Crown prosecutor, public prosecutions; and Jim Bingaman, director, information management branch.

I'd like to provide you with a brief overview of the supplementary estimates request for the Ministry of Justice and Attorney General. Supplementary estimates of \$5.35 million is requested to offset unanticipated expenditures in the current year. In court services, additional funding of \$1 million is required for staffing pressures and security detention to backfill critical positions and address workload pressures in Provincial Court offices and to increase the bad debts expense budget due to an increase in fines ordered in the current year.

Additional funding of \$1 million supports the information technology partnership with the Information Technology Office. Joining the ITO [Information Technology Office] partnership has required the ministry to update its IT [information technology] infrastructure and has increased direct costs. Costs under the agreement include personal computers, telecommunications, printers, software support and maintenance and servers, as well as personnel costs.

In public prosecutions, funding of \$300,000 is required for docket court pressures in North Battleford and Meadow Lake to address the increased cost of northern air travel and to retain outside legal counsel for the Klassen-Kvello appeal to the Supreme Court of Canada.

In the Legal Aid Commission, vacant legal positions and difficulties in recruiting staff to the Meadow Lake and Melfort

offices resulted in cases being referred to private bar to ensure the provision of legal services. As well, the commission is experiencing an increase in court-appointed counsel for young offenders. These pressures are forecasted at \$300,000. The inquiries budget requires \$100,000 for cost pressures in the Human Rights Tribunal and board of review. Pressures are the result of longer hearings and case transcription costs.

The judges' disability benefit program has been managed up until now on a cash basis where expenses were not counted until the monthly payments had been made. The Provincial Auditor has recommended that the ministry determine total impact of the long-term disability payments and record the estimated liability in the year-end accounts. This funding is required to allow the ministry to accrue the estimated cost of future payments under the disability plan.

Lastly construction of the Meadow Lake Court House is under way and additional funding of \$1.8 million will allow additional site work to be completed in the current fiscal year. I look forward to answering your questions about the 2008-2009 supplementary estimates for the Ministry of Justice and Attorney General.

**The Chair:** — I would turn the questions over to Mr. Quennell, I believe.

**Mr. Quennell:** — Putting aside the capital expense, and I take it the court's capital is the only capital expense. The rest of them are operating expenses.

**Hon. Mr. Morgan:** — I believe that's correct.

**Mr. Quennell:** — Putting aside the capital expense for the time being, do any of the increases here represent ongoing or structural increases, or are they all one-time expenditures?

**Hon. Mr. Morgan:** — I will, Mr. Chair, ask each of my officials to identify themselves as they come forward.

**Mr. Sisson:** — Gord Sisson. For the items that are listed outside of the capital, these are all items that were outside of the budget. Whether they will be ongoing or not, it depends on what happens. If workload in courts continue to increase, we could expect then to be some pressures in the next year. If the volume in courts world would fall off, we would expect the pressure to be lessened in the courts world.

**Mr. Quennell:** — Okay.

**Mr. Sisson:** — All of them fall in that type of realm.

**Mr. Quennell:** — So the disabilities benefits for judges probably don't though fall into that. I mean that's a bit more predictable. This is a change of the accounting rule, I take it?

**Mr. Sisson:** — Correct. That is a change in the accounting rule. That would depend on the number of judges that fall under the disability plan.

**Mr. Quennell:** — Okay, maybe you can clarify that for me. The ministry is moving from a cash basis to an accrual basis at

the request or suggestion or directive of the Provincial Auditor, something falling under those lines. Does that not mean accruing the potential liability for the entire court when all the judges fall under the disability plan? Or what distinction were you drawing there?

**Mr. Sisson:** — The distinction is that it would be for the number of judges that are on disability as of the end of the year. So at the end of this year, if we had one, there would be an adjustment that is made for that point in time moving forward. If by chance there were two on the following year, the adjustment would be increased. So it would all just depend on the number of judges that would be on disability at a given point in time.

**Mr. Quennell:** — So that may have shown up in supplementary estimates even under the previous system.

**Mr. Sisson:** — Typically it would have gone through — it's a statutory sub-vote — so it would have gone through either a special warrant or the process that they would use for the statutory.

**Mr. Quennell:** — Then let's go through some of the major items and try to determine if we think they're trends or potentially one-offs. In respect to, I think it was court services, \$1 million in court services, that involved increased detention costs. And is that a trend or is that a surprise that we don't expect?

**Mr. Acton:** — I'm Ken Acton, assistant deputy minister for courts. And I'm sorry as I didn't get the full part of your question as I was walking down here.

**Mr. Quennell:** — I didn't necessarily get the full notes of the minister's quick run-through either, but I thought I caught, or at least I got a couple of words down: a reference to increased staffing costs in court services, a reference to increased detention costs. I assume that's staffing for detention. I think I'm going to be in a position to thank the minister right now for providing me with a copy of his introductory notes.

Staffing pressures in security detention to backfill critical positions and address workload pressure in Provincial Court offices — obviously not anticipated in the last budget — is this a trend? Are these costs going up more quickly than expected, or were there expenses in the last little while that weren't anticipated but are anticipated to continue into the future?

**Mr. Acton:** — If it would be helpful, I could walk through a breakdown of the million dollars for you and then go back to talking about the staffing.

**Mr. Quennell:** — Sure.

**Mr. Acton:** — The \$1 million consists of staffing pressures in security and detention area for \$147,000. There are technology-related pressures of 288,000 which I can provide a further breakdown on that if you like: general workload and reclassification pressures in the courts for \$175,000; a pressure in court-appointed counsel for 50,000 and a number of operating pressures, for example, fees for transcription services, Visa and MasterCard charges for a total of \$140,000, and bad

debt expense allocation of 200,000.

**Mr. Quennell:** — So to go back to staffing pressures and security detention, that's \$147,000.

**Hon. Mr. Morgan:** — And that is pressure as a result of completing the implementation of perimeter security in Prince Albert, Regina, and Saskatoon. The actual number of employees really haven't changed. We have about 125 employees; a number of them work part-time. But as we completed the implementation, as of the end of March, we'll have all the staffing completed, and we'll be operating perimeter security in those locations with the exception of Queen's Bench court in Saskatoon. And we actually won't be fully operational there till into April, but the staffing will be completed.

And some of the costs . . . We experienced about \$110,000 worth of overtime just as a result of getting through the staffing process, getting people trained up, and getting implemented. So we don't expect that to continue to grow. That should be it.

**Mr. Quennell:** — Before I forget, since we're on the matter of security, in the fall when spoken in this committee to the minister, we talked about the situation at the family law court in Saskatoon. And I wonder if the minister could comment on whether there's been any progress on that front since the last time we were in estimates.

**Hon. Mr. Morgan:** — The security is operational at family law division now, but at best it's a band-aid solution. I'm sure you've been there. The nature of that structure is just such that it doesn't lend itself to having any kind of meaningful security. So the long-term solution has to be moving the family law division out of that building and either somewhere else or . . . Obviously the best plan would be to have it as part of the Queen's Bench facility across the alley.

**Mr. Quennell:** — But that's still speculative, or are there plans drawn for that addition?

**Hon. Mr. Morgan:** — Well we made an announcement a while ago that there was set-aside money and there's plans under way. So it certainly would be one of the things that's at the top of the list of things that needs to be done from a capital perspective.

**Mr. Quennell:** — But nothing, nothing actually new to announce since the last we spoke about this in the fall?

**Hon. Mr. Morgan:** — Well I think we've announced that we've retained the services of an architect. I'm not sure whether that was before or after. Actually in the existing facility, there is perimeter security now. Now I'm not sure whether you were asking about what was taking place at family law division or what we're doing with Queen's Bench.

**Mr. Quennell:** — No, I was asking about the future of the family law division. So I do realize is a little outside the parameters of our discussion, but I probably will ask about it every time we talk.

**Hon. Mr. Morgan:** — Well with regard to that, the plan is to have it moved over to the facility at 520 Spadina and those

plans are underway.

**Mr. Quennell:** — And an architect's been engaged to same.

**Hon. Mr. Morgan:** — The Frigstad firm. I'm not sure what the full name of the firm is now.

**Mr. Quennell:** — On the bad debt expense portion, in your remarks you reference increase in fines ordered in the current year. Again a blip or a trend?

**Mr. Acton:** — I would call it a trend now in terms of increased fines. We're certainly starting to make progress on enhanced fine collection, but the total number of fines from '06-07 to '07-08 — the number of fines ordered or the dollar amount — actually increased by \$600,000. And there was an additional \$200,000 again increase in this past year. So over the last two years, fine revenue is up \$1.4 million.

And historically we collect about 80 per cent of that. So from an accounting perspective, there would be an expectation that we allocate approximately 20 per cent of that towards bad debt. So I think revenues are going up.

We're also starting to see some really good results on collection, particularly as it relates to our partnering with Canada Revenue Agency in February, March '08. We're now starting to see some real changes as people go to file their income tax. The last two weeks of February, we received about 130 calls from tax discounters — well the most common one I guess is H&R Block but a number of others — where people had gone to have their income tax prepared and were then going to have the person that prepared the return actually issue them a refund at a discounted rate. And of course when they went to check, they found out there was an outstanding fine ordered, and they had to work through that issue first before they could get their refund. So we're making some great progress on the collection side.

But in terms of the bad debt allowance, we still have to make an allocation for that or at least set it aside in the event that it's not all collected.

**Mr. Quennell:** — Do we yet have that same partnership in respect to maintenance enforcement?

**Mr. Acton:** — Yes, in fact there's more . . . They have that partnership with maintenance enforcement. We don't have quite as much authority as it relates to the fine collection. There's a number of restrictions on the fine collection side where we can't access. There's a means test and a number of things are exempt, where in maintenance enforcement they aren't; there aren't those exemptions.

**Mr. Quennell:** — Moving onto the ITO partnership, again are these one-time costs, or is this going to be increased ongoing costs?

**Mr. Crook:** — Rod Crook. Some of the costs would be one time in nature. Some of them may be ongoing. The costs under our partnership with the ITO for basic services, this includes personal computers, telecommunications, printer and software support and maintenance and servers. In this area, which is

most of the expenditure, historically the ministry spent significantly fewer dollars in the IT area. As a result of joining the ITO partnership, the ministry has newer equipment and software that is easier to support and is available to more of our staff. And so as a result of that, this has impacted on our ongoing costs.

**Mr. Quennell:** — So that's mostly a capital expense, the \$1 million?

**Mr. Crook:** — No, this is our ongoing monthly billings under our partnership arrangement with the Information Technology Office. So this is ITO's charges to provide us with our leased computers. They charge us monthly, for example, for our desktops, software, our telecommunications lines, our printer costs, etc.

**Mr. Quennell:** — And from ITO, has it turned out to be approximately \$1 million higher than anticipated?

**Mr. Crook:** — There is approximately 85,000 of the million which are one-time costs that aren't related to those items, and these one-time costs relate to our COBRA [corporations branch] system in corporations branch where there's been some additional work done on that system which in total amounted to 85,000.

**Mr. Quennell:** — But all but that \$85,000 is sort of ongoing increased cost?

**Mr. Crook:** — Yes.

**Mr. Quennell:** — And other than the contract with ITO, is there any contract work or increased staffing in the Ministry of Justice?

**Mr. Crook:** — Not that relates to this expense, no. This is simply the invoices we received from ITO for those services.

**Mr. Quennell:** — I'm afraid I'm jumping around a little bit here. But public prosecutions docket court pressures in North Battleford and Meadow Lake, is that just the growing trend in northern Saskatchewan?

**Mr. Wiegers:** — Lane Wiegers. Well just to provide a bit of background, in Saskatchewan most of our docket court points are handled by the RCMP [Royal Canadian Mounted Police]. What happened in North Battleford and Meadow Lake, as well as in another community last year, is the RCMP for various reasons stopped conducting those docket courts. As a result, we had to fill the void. It's essential work. It's busy work that must be done, and that explains why those pressures were created.

In terms of whether or not this is apt to be a trend, there's no indication that it would be. And just to point out, in the communities in Saskatchewan where prosecutions has permanent offices, there are 14 docket courts running. Ten and a half of them are staffed by prosecutions right now. So there are three and a half that the RCMP continue to maintain.

**Mr. Quennell:** — So there are three they withdrew from in Meadow Lake, North Battleford, and what other community?

**Mr. Wiegiers:** — In Yorkton. But in the previous budget, there was funding for a full-time employee for Yorkton, and that covered the Yorkton pressure.

**Mr. Quennell:** — And is this withdrawal permanent?

**Mr. Wiegiers:** — Yes.

**Mr. Quennell:** — And what you said, they continue on in three communities?

**Mr. Wiegiers:** — Yes, three and a half actually. There's one location where sort of a hybrid approach is taken.

**Mr. Quennell:** — And which were those?

**Mr. Wiegiers:** — Swift Current, La Ronge . . . [inaudible] . . . and Moose Jaw is where the hybrid approach is in place.

**Mr. Quennell:** — That's not exactly a provincial position on their part.

**Mr. Wiegiers:** — No.

**Mr. Quennell:** — No. Okay. And so the \$300,000 is essentially to pay prosecutors to be in docket court.

**Mr. Wiegiers:** — No, 70,000 was for docket court in the supplementary estimate.

**Mr. Quennell:** — Oh okay. Seventy thousand on the three, but that's what it's for, is to pay prosecutors to be in docket court or the cost of prosecutors being in docket court because the RCMP aren't doing that any more.

**Mr. Wiegiers:** — Yes. And part of that cost has been absorbed, but not all of it could be. Seventy thousand is the requirement for docket court in North Battleford and Meadow Lake.

**Mr. Quennell:** — Okay. And then of the \$300,000, there's \$210,000 remaining. How much of that's for the increased cost of northern air travel?

**Mr. Wiegiers:** — \$50,000.

**Mr. Quennell:** — 15?

**Mr. Wiegiers:** — 50.

**Mr. Quennell:** — 50 which leaves \$160,000 for outside legal counsel, and Klassen-Kvello.

**Mr. Wiegiers:** — Not quite. There's \$80,000 for maternity top-ups. In other words, supplementing maternity/paternity benefits, and then for Klassen and Kvello, the appeal matter was \$100,000. That would take us combined to \$300,000.

**Mr. Quennell:** — So higher than expected amount of maternity and paternity top-ups. I know you can't always anticipate it down to the person.

**Mr. Wiegiers:** — That's just it. It's very difficult to predict.

**Mr. Quennell:** — Who was the outside legal counsel for Klassen-Kvello?

**Mr. Wiegiers:** — Tochor with MacPherson Leslie & Tyerman.

**Mr. Quennell:** — That's been heard basically in court.

**Hon. Mr. Morgan:** — That was heard in December of last year, and the decision was reserved.

**Mr. Quennell:** — Apparently yes. Now you referred to what's going on in the courts where the RCMP were still doing docket duty as a hybrid system. Do we anticipate that that's going to continue, or are we going to see a withdrawal from the RCMP across the province at some point?

**Mr. Wiegiers:** — There's no strong indication that there'd be a withdrawal. I only raise it as a possible concern down the road, but there's no firm indication as to a withdrawal of any type.

**Mr. Quennell:** — How much indication was there of the withdrawal that happened in three court points?

**Mr. Wiegiers:** — Well essentially we were advised of their position as it was happening. Wasn't a lot of lead time actually in that regard.

**Mr. Quennell:** — So we don't anticipate it happening elsewhere. But if it does happen elsewhere, you don't anticipate a lot of lead time based on past experience?

**Hon. Mr. Morgan:** — We could be back here again.

**Mr. Quennell:** — Okay, the legal aid costs. Reference in the minister's notes, difficulties in recruiting staff to the Meadow Lake and Melfort offices in cases being referred to the private bar — are those difficulties now past us, or are we still having recruitment problems?

**Mr. Acton:** — Ken Acton. We think those challenges are past us. But we had a number of challenges in both locations with staffing. And so there was a period of time where we were relying on counsel out of Regina and Saskatoon to cover some of the work and also pull people in from other areas to do that. We're fully staffed in Meadow Lake and have things under control in Yorkton as well.

**Mr. Quennell:** — Or Melfort?

**Mr. Acton:** — I'm sorry. I can't answer that. I believe we do. Doug?

**Mr. Moen:** — I'd just point out to the committee that, you know, we're seeing increasing challenges in staffing in northern Saskatchewan as it relates to people in the legal offices, both on the legal aid side and in the prosecution side. And so there'll be challenges from time to time.

And one of the things we're having to do on the prosecution side is have a roving prosecutor or two that can go up to the North to help out when we're having challenges. And occasionally we've had to use private counsel in both prosecutions and legal aid. It's not our preference, but it's an

interesting challenge. It's probably more of a challenge now than it's been — say — five years ago. I think it's something that needs to be watched very closely and worked on quite seriously.

**Mr. Quennell:** — Of the \$300,000, how much was for referring cases to the private bar in the case of Meadow Lake, Melfort, and how much was an increase in court-appointed counsel for young offenders?

**Mr. Acton:** — There was \$50,000 for court-appointed counsel for young offenders, and the balance was for the private bar cost.

**Mr. Quennell:** — About 85 per cent of it then is the private bar cost. The increase in court-appointed counsel for young offenders, that wouldn't be a significant increase or a significant trend?

**Mr. Acton:** — No, I don't believe so. It's really depending on the complexity of the cases on what happens on any given year, but I don't think it will be.

**Hon. Mr. Morgan:** — If you're aware, we use a staff-based model for legal aid, and it's one of the most highly efficient methods of providing that service. There's only two provinces that do it to the extent that we do. You send one lawyer to do bail applications or young offender hears and they go with literally a shopping cart full of files. So it's certainly far more cost-effective than using the private bar. So to the extent that we're able to recruit staff lawyers for legal aid, that's a far more effective system. So the problem has been recruitment rather than anything else, so we hope that that's something that's behind us.

[15:30]

**Mr. Quennell:** — You hope the recruitment problem is something that's behind you.

**Hon. Mr. Morgan:** — It is for the time being, but you know, as the deputy minister indicated, it will from time to time become an issue throughout different parts of the province. In particular the North is hard to recruit.

**Mr. Quennell:** — Moving on to the inquires budget and increase to Human Rights Tribunal and Board of Review, this looks familiar. It never seems to come in budget. I take it from the minister's notes that it's longer hearings, not more hearings. Is that correct?

**Mr. Sisson:** — That would be correct. Based on the statistics we're seeing, the hearings are taking a bit longer. We're not seeing, I guess, we're not seeing a change in the number of cases that are coming to the board for either a review or a full inquiry. So that leads me to believe that it's taking longer to get them through.

**Mr. Quennell:** — Correct me if I'm wrong, correct me, but would it be entirely speculative as to why that would be the case?

**Mr. Sisson:** — I don't have any information on why that would

be the case.

**Mr. Quennell:** — I mean the courts are seeing not necessarily more files, but certainly longer cases. I didn't think that anything had happened to human rights law recently to make it more complicated or make the hearings longer, but in any case over the last year or two, not an increase in the number of cases being heard.

**Mr. Sisson:** — No, based on the statistics we have, 2008-09 will be slightly higher than 2007-08. You know, previous years were running about 32 cases in total in '06-07, 23 last year, and to the end of February, we are at 21 this year.

**Mr. Quennell:** — Let's move on at least for the moment to the Meadow Lake court house.

The courthouse was announced by the previous government. I know because I turned a shovel of dirt up there at Meadow Lake. Is this a project that's being moved forward as part of the \$500 million infrastructure stimulus package the government has announced?

**Hon. Mr. Morgan:** — No, it's being done as part of the ministry's ongoing capital budget. There had been no funding under the previous administration, but we brought it forward as quickly as we could. We felt the need was there, so it's under construction now. The excavation has been completed, and I'm not sure whether they were able to pour concrete. But I was there about 10 days ago, and they were putting forms in the ground in preparation for concrete. I think they were able to get more work done in the fall, so I think it's just more a seasonal adjustment than anything else. I'm not aware that the project is over budget or anything other than what was planned.

**Mr. Quennell:** — Still \$1.8 million not budgeted for but the minister says not to speed up.

**Mr. Acton:** — We issued the tender in the fall. And so when the tender was issued in the fall to get started, it was just a question of how much work they could move forward with over the winter months and how much would proceed into the following year. So we had the design completed last spring and did the tender over the summertime, and they really just started to clear the site and move forward in late December or early January. I think they were ready to go in December. However then it got unusually cold and nothing happened there for a few weeks, but they're now doing site prep and putting pilings in the ground, or at least preparing for them.

**Mr. Quennell:** — Probably not pouring concrete today though.

**Mr. Acton:** — I don't expect so, no.

**Mr. Quennell:** — What are the court constructions on the horizon?

**Hon. Mr. Morgan:** — We've looked at the issue with . . . Saskatoon Queen's Bench is sort of at the top of the list. That one, the planning is under way.

And I think we've got some planning taking place for La Ronge. And with La Ronge, we're not certain how that might

pan out, but the hope would be we would be able to use the plans from Meadow Lake, and I think they have to be turned or they have to be relocated, how it would sit on the property. I haven't gone there to look at it, but that would be the next one that we would want to proceed with.

**Mr. Quennell:** — You have a site in La Ronge yet?

**Hon. Mr. Morgan:** — Yes, yes we do.

**Mr. Quennell:** — And where is that site?

**Hon. Mr. Morgan:** — I'm going to let somebody else answer because I haven't been there.

**Mr. Acton:** — I can tell you where it is. I can't give you the address; I'm sorry.

**Mr. Quennell:** — The address wouldn't mean anything to me unless you tell me if it's on the lake or not.

**Mr. Acton:** — No, it's not on the lake. It's near the town offices. And if you've been there recently there's a new drug store in town a couple of years ago, and it's beside that. So it's kind of kitty-corner from the existing courthouse and back off the waterfront.

**Mr. Quennell:** — When do you expect the Meadow Lake Court House to be done?

**Mr. Acton:** — It'll be done August, September 2010.

**Mr. Quennell:** — And is any part of this \$1.8 million inflation, cost overruns not anticipated in this budget?

**Hon. Mr. Morgan:** — No. It was tendered one time, came in with what was we expected to be allocated. So it was done with a mid-year Treasury Board approval. So at this point in time, we don't anticipate any unusual costs. The contracts have been let, so we're expecting it will come in on budget.

**Mr. Quennell:** — And just to be clear, I know the areas we've discussed — the increased costs have been filling in where you haven't been able to find staff. These don't involve any increases in staff to the ministry, permanent staff.

**Hon. Mr. Morgan:** — No, there would not be.

**Mr. Quennell:** — Okay, and no increase to contract work, I mean, other than obviously around the courthouse, construction, and that type of thing.

**Hon. Mr. Morgan:** — Well there would be the court-appointed counsel, would be contracted out of course and then that type of thing.

**Mr. Quennell:** — None of these are communications or advertising expenditures?

**Hon. Mr. Morgan:** — No.

**Mr. Quennell:** — And no land or building purchases other than obviously than the Meadow Lake Court House?

**A Member:** — That's right.

**Mr. Quennell:** — Okay. And Meadow Lake Court House, this expenditure is not part of the \$500 million infrastructure.

**Hon. Mr. Morgan:** — That's correct.

**Mr. Moen:** — The committee may be interested in knowing on the Meadow Lake Court House, that that courthouse will provide for the first time Queen's Bench services in Meadow Lake. So that will allow for better access to family services, family court, which I think is going to be important because, you know, there has been an issue of access to family jurisdiction of the Court of Queen's Bench in the Meadow Lake area.

**Mr. Quennell:** — Do you anticipate it becoming a Queen's Bench Court point, do you?

**Mr. Moen:** — Well it won't be a judicial centre, but it will have sittings of the court.

**Mr. Quennell:** — But not becoming a judicial centre, so it will be out of which judicial centre? North Battleford?

**Mr. Moen:** — North Battleford.

**Mr. Quennell:** — Do you anticipate any significant change in the cost of the La Ronge courthouse just because of the timing?

**Hon. Mr. Morgan:** — We haven't got to a point where we've developed a budget for it. We'd like to use the plans for whatever cost savings there might be from Meadow Lake, but we're not at a point where we've applied for our Treasury Board approval.

**Mr. Quennell:** — Those cost savings would be because you'd be using the same plans or just flipping them.

**Hon. Mr. Morgan:** — Correct.

**Mr. Quennell:** — Right. So if Meadow Lake came in less expensively than La Ronge, obviously that would be increased construction costs just occurring over time. What's the . . .

**Hon. Mr. Morgan:** — It could be there's different costs of construction in the area because of access to contractors and . . . Well Meadow Lake's got earth to dig in. La Ronge has got rocks so that, you know, I wouldn't necessarily assume that they would be the same.

**Mr. Quennell:** — I guess there's a general question about government capital projects these days, but since we're discussing one in the Ministry of Justice, is it the sense of the government that there's still some value in doing it sooner than later because of cost inflation, or has that been dampened in the country because of the recent economic changes?

**Hon. Mr. Morgan:** — I think you probably made a fair comment that it's probably been dampened somewhat, but there hasn't been a conscious decision made by government to accelerate or not to accelerate projects because of that. There's not a policy directive in that regard.



**Mr. Quennell:** — Those are all my questions. I think Ms. Atkinson has some.

**Ms. Atkinson:** — Thank you. So of the supplementary estimates for March of this year, we're increasing spending by 5.3 million, and in November we increased spending by 3.5 million. Of this we know that the capital for the courts would be in essence one-time funding; it wouldn't necessarily be ongoing. So of the spending estimates, supplementary estimates for November and March, can you tell us what is ongoing and what is in fact one-time?

**Mr. Sisson:** — I'll try to do a quick answer to that question. It's not really so black and white. A lot of what we see here is there's some workload pressures that are created by different events. If you take for example corporations branch last fall, \$200,000, a lot of that was because of the increased workload that was moving through that office.

So if you started to see a downturn in the economy, that could impact the number of corporate registries, etc. Then we would see that pressure drop off. If our economy continues in the manner it has, with being very hot, we could see that pressure increasing. It's not necessarily good or bad from a supplementary estimates point of view. Typically those costs are recovered in revenue.

On the, you know, some of the others — court services, public prosecutions — it's all driven by the workload. So if the demand is there and we still need to have cases moving through the courts in relatively quick fashion, we will continue to have some workload pressures. If court cases, etc., whatever drives that, starts to fall off, we will see less pressure in those areas. So to definitively say that it will or won't be a pressure, there's a lot of other external circumstances that may impact it.

**Ms. Atkinson:** — Okay. Thank you. But of the — as someone who obviously has to look at what does this mean in the out years — of the close to \$9 million, we know that 1.8 for sure is one-time spending. Can you tell us, is this 60 per cent of this close to \$9 million ongoing, or is it 50 per cent or do we have a sense of that at all at this stage for next . . . I'm not asking you to tell us what next year's numbers look like but just what's one-time, what you anticipate will be ongoing.

**Mr. Sisson:** — Between the two supplementary estimates that we've been for, certainly the courts capital, the 1.8 million is one-time funding. On the inquiries line, the half a million we had back in November was for the Milgaard Inquiry. It would be directly one-time. My sense of everything else is there's probably around \$4 million that if things would stay the same that we would expect to see as a pressure. That is just basically, you know, my sense at this given point in time.

[15:45]

**Ms. Atkinson:** — When you have to rely upon private sector, private bar lawyers, how do you determine which lawyers will be asked to fulfill this function?

**Mr. Moen:** — We have a fairly extensive relationship with lawyers in the community. Say there's a fair bit of work we do in the child protection area, and we're looking at a

demonstrated ability to do that kind of work. You know, there'll be some that we've been working with for a long time, and those relationships have continued. Occasionally we change somebody if we've got an issue with performance. But that's essentially what we're looking at is performance. Oftentimes we're dealing with specialties and, you know, a particular lawyer has got a particular specialty in the community, and then we would go to that particular lawyer for that particular specialty.

**Ms. Atkinson:** — So to the minister: has the process changed under your administration in terms of how and when private bar lawyers are used by the Ministry of Justice?

**Hon. Mr. Morgan:** — No. Our practice has worked relatively well in the past, and we want to see wherever possible, both within Legal Aid and within prosecutions, that we would use staff lawyers wherever we can. And I think there's no doubt that's the more efficient model to use. So it's been used by way of a pressure relief, but it's not something that has changed nor do we contemplate it changing.

**Ms. Atkinson:** — Thank you for that answer. To the minister again, I understand that it's a preference to use people who would be part of the public sector. But my question was, when it comes to determining who in the private sector, the private bar, will be used for various services that the ministry can't provide itself or the Legal Aid Commission can't provide itself, has there been any change in how these private bar lawyers are chosen?

**Hon. Mr. Morgan:** — Not to any great extent. The indication that I've given to the officials is we expect to see the work fairly broadly distributed. So we haven't ruled anybody in or out on the process, and that's the extent of what's taken place.

**Ms. Atkinson:** — So not to any great extent. Does that mean there's been a little extent?

**Hon. Mr. Morgan:** — I've answered the question. That was my direction, was that we wanted to see the work broadly distributed. So if that's the change, that's a change.

**Ms. Atkinson:** — Okay, thank you. I have some other questions as well. I know that there was some information provided to this committee of the \$1 million for central management and services. And I understand this was for ITO; this is for the relationship between the ministry and the services that ITO provides.

And I believe I understand that \$85,000 of that was one-time money for a piece of technology, and the rest is for ongoing provision of services by ITO. Did I understand that correctly?

**Mr. Crook:** — Eighty-five thousand was definitively for one-time costs. Of the balance though, the nine fifteen, a significant portion of that is likely to be for ongoing costs.

However there are a number of variables that will impact that. For example if we have a particular problem with one of our applications where additional developer time is required to maintain it, that may be a one-time thing and it doesn't reoccur next year.

In addition ITO is always looking for ways to reduce our costs, if they get deals in terms of central purchasing and whatnot. So it may be that there is, some of this is then reduced next year. But there are a number of variables, but there is definitely a significant portion of this that is simply the costs of the IT services that we need to conduct business.

**Ms. Atkinson:** — So did the ministry start using ITO services during this fiscal year?

**Mr. Crook:** — No. We have used the services since we joined the partnership in February 2007, so it's been for approximately two years.

**Ms. Atkinson:** — So it would appear as though that these are some unanticipated costs in terms of your budget for this fiscal year that was presented for the ministry last March. Do I understand that correctly?

**Mr. Crook:** — Yes, we did have pressures in the previous fiscal year as well, of approximately \$400,000. So part of this relates to that ongoing pressure.

**Ms. Atkinson:** — So do you anticipate for the purposes of next year . . . So as I understand, you've told the committee there were \$400,000 worth of pressures in '07-08; \$1 million worth of pressures, additional pressures in '08-09. I guess I'm trying to understand. This seems fairly significant. So I'm wondering what could have caused the significance of these pressures given the ongoing relationship between ITO and the Ministry of Justice.

**Mr. Crook:** — Well in addition to the pressure that was certainly there in the previous fiscal year, you know, some of this will reflect some higher costs that ITO has. A portion of this would relate to additional users of services within the department. For example, in the court services area, we have had the situation where staff that were sharing computers when they really need a computer to do their job. And so with the ITO partnership as it has evolved, we have made some progress in terms of some of those basic IT needs being met. And that has certainly increased the cost. But in terms of the ongoing nature of this, you know, we would certainly be working to manage within our appropriation.

There are some pressures here. One of the things we would be looking at is to what extent some of the branches that are the beneficiaries of these services could absorb some of the costs which would then reduce what is funded through our information management branch. But so there are a number of factors that would play into what the actual expenditure would be.

**Ms. Atkinson:** — Thank you. Is it your sense that there are more people in the ministry that are accessing technology, becoming more savvy with the technology, using technology more in terms of their workplace and as a result of that, that may be why we're seeing this increase in cost?

**Mr. Crook:** — Yes I think, you know, certainly both Justice and our sister department in Corrections are, you know . . . there's some catch-up to do in terms of these ministries having the same levels of IT services that some other departments have

had in the past. And that's one of the benefits from the partnership with ITO, is that a consistent service delivery standards are set across government, and that has certainly meant some catch-up within Justice.

**Ms. Atkinson:** — Thank you. The one thing that you indicated to me, that in terms of the overall increase since the budget was delivered last March, that there was a change in terms of work that was being done by the corporations branch and so an additional \$200,000 was required in the November supplementary estimates. Do we have any sense that this work is slowing down or it's not quite as onerous?

**Mr. Crook:** — I certainly haven't checked the corporations branch statistics recently, but no, I think it would be fair to say that, you know, the increase in volume that we've seen, it's been pretty steady.

**Ms. Atkinson:** — Thank you. In terms of the use of the private bar for the Legal Aid Commission, I gather that that was required because of difficulty getting people into certain parts of the province. Can you indicate to me how those — say — private bar lawyers are chosen when legal aid lawyers aren't available in the Melforts, the Meadow Lakes, and so on?

**Hon. Mr. Morgan:** — The commission selects their own lawyers. We don't participate in that process. And I don't know who the lawyers are, but it continues.

**Ms. Atkinson:** — If there's a requirement for private bar lawyers, is there any discussions with the ministry about the use of private bar lawyers, or are they able to do this without consultation with the ministry?

**Mr. Moen:** — There is no discussion with the ministry. They select their own.

**Ms. Atkinson:** — Thank you. There's no discussion even if a certain legal aid client is asking for a private bar lawyer anywhere in the province when in fact there are legal aid lawyers available — high profile cases, those kinds of things. Are they discussed . . .

**Hon. Mr. Morgan:** — Well that's a decision that's made by the Legal Aid Commission. Your question was whether the ministry participated in that decision-making process, and it does not.

**Ms. Atkinson:** — If there's a requirement for a private bar lawyer to run a certain case and the fees that will be required go way beyond the capacity of Legal Aid to pay for it, there's no discussion with the ministry?

**Hon. Mr. Morgan:** — Well I suppose it would be open to them to come back and say, there's something unusual that would be a cost pressure because of some, you know, a type of file, but that has not happened.

**Ms. Atkinson:** — Okay. Thank you very much, Mr. Chair.

**The Chair:** — If there are no further questions, I would ask the minister if he wished to thank his officials. And once we've completed that, we'll do the vote.

**Hon. Mr. Morgan:** — Thank you, Mr. Chair. I appreciate the opportunity to be here and would like to thank all of my officials for their diligence not just today but in preparation for this and throughout the year.

[16:00]

**The Chair:** — Thank you. Ms. Higgins.

**Ms. Higgins:** — Mr. Chair, I would like to thank the minister and his officials for being available this afternoon for questioning. And we appreciate the time and effort that they put in not only this afternoon but throughout the year.

**The Chair:** — Thank you. We will now proceed with the vote. Supplementary estimates, Standing Committee on Intergovernmental Affairs and Justice, vote 3, Justice and Attorney General, central management and services, subvote (JU01) in the amount of \$1,000,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Courts and civil justice, subvote (JU03) in the amount of \$1,000,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Salaries for Provincial Court judges, statutory. Legal and policy services, subvote (JU04) in the amount of 300,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Boards and commissions, subvote (JU08) in the amount of 400,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Courts capital, subvote (JU11) in the amount of 1,800,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Justice and Attorney General, vote 3, 4,500,000, I would now ask a member to move the following resolution:

Be it resolved that there be granted to Her Majesty for the 12 months ending March 31, 2009, the following sums for Justice and Attorney General in the amount of \$4,500,000.

**Mr. Chisholm:** — I so move.

**The Chair:** — Mr. Chisholm so moves. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Vote 3 agreed to.]

**The Chair:** — That concludes the Justice and Attorney General part. And thank you very much, and we will move into the Municipal Affairs as soon as we can get the people in. Thank you one and all.

**General Revenue Fund  
Supplementary Estimates — March  
Municipal Affairs  
Vote 30**

**Subvotes (MA07) and (MA10)**

**The Chair:** — Thank you ladies and gentlemen. We're moving to the second part of our meeting, supplementary estimates, Municipal Affairs, vote 30.

I'd ask for, in the interest of time, to stay on topic. And I welcome the minister and his staff and ask if he has any opening comments. And please, when someone new comes to the microphone, please introduce yourself for Hansard's recording. Thank you.

**Hon. Mr. Hutchinson:** — Thank you, Mr. Chair. It's a pleasure to be here today. I have a list of officials that I'd be delighted to introduce for you: Terry Coleman who is our deputy minister; Maryellen Carlson, assistant deputy minister; Wanda Lamberti, on my right, your left, executive director of central management services. And behind us is sitting Russ Krywulak, executive director of grants administration and financial management; Kyle Toffan who is the director of grants administration; and Kathy Rintoul who looks after the New Deal secretariat.

I do in fact have a couple brief comments, and I'll begin them right away. Municipal Affairs has a forecasted over expenditure from budget of \$145.4 million. The over expenditure is primarily the result of dollars flowing to improve municipal infrastructure throughout the province, moving forward on much needed projects to build, as we have termed it, a stronger Saskatchewan and a better life for all Saskatchewan people. The net amount includes \$131.6 million in funding for municipal infrastructure projects. And this of course is part of the overall \$500 million economic booster shot announced by the Premier in early February, targeted to accelerate infrastructure spending in this budget year.

Of the \$131.6 million, \$100 million was made available this fiscal year through the municipal economic enhancement program, which provides funding for infrastructure projects on a per capita basis to all municipalities including rural, urban, and northern in Saskatchewan. It also includes \$31.6 million available to communities this year through the province's share of the Building Canada fund communities component in mid-February. Successful projects in 46 communities throughout the province were announced.

The provincial dollars will flow now to help municipalities proceed with projects immediately, and they will not have to wait for claims to be processed. It will result in needed investment in roads, in water, and wastewater treatment facilities and upgrades. With federal and municipal investment combined, this represents over \$95 million in total infrastructure investment in Saskatchewan communities. Putting dollars in the hands of municipalities who are ready to get projects under way, many using local employment and local contractors, is an important part of ensuring Saskatchewan's

economy remains strong and steady.

In addition we are investing \$15.6 million through the federally funded public transit program for much needed capital investments in public transit infrastructure. This over expenditure for the transit program is offset by approximately 1.7 million in under spending through the Saskatchewan infrastructure growth initiative, or SIGI, in the 2008-2009 year. The program provides municipalities with interest rate subsidies for five years on \$300 million of municipal borrowing. The borrowing has been spread over four years at \$75 million per year. Under intake 1, municipalities have until the end of March to acquire borrowing for the approved projects.

When municipalities incur interest costs, a request for payment is received and reviewed by Municipal Affairs. However to date no municipalities have submitted requests for payment.

The offset from SIGI results in a net \$13.8 million over expenditure this budget year attributable to the public transit program. In summary the Municipal Affairs over expenditure is part of our government's decision to accelerate funding to provide an economic booster shot and ensure our ministry is doing its part to help communities keep Saskatchewan's economy strong. We're ready for questions at any point, Mr. Chair.

**The Chair:** — Thank you very much. And I would ask Ms. Higgins to have the floor.

**Ms. Higgins:** — Thank you very much, Mr. Chair. And I want to thank the minister for his opening remarks and also for, he and his officials, for being here this afternoon for questions. A quick question on the savings on the public, the federally funded public transit program, was it all savings offset from SIGI that account for the reduction?

**Hon. Mr. Hutchinson:** — My understanding is that's in fact the case.

**Ms. Higgins:** — So then there wasn't the borrowing that you had expected through the SIGI program for the municipal borrowing. This is money that is leftover from that that was designated for this year.

**Hon. Mr. Hutchinson:** — I think there are a number of reasons, one of them of course is that some of the municipalities haven't come forward with borrowing requests quite as quickly as we had anticipated. Another likely reason is that there are lower interest rates available so that those communities which are coming forward are actually using less subsidy dollars. Interest rates of course have been steadily going downwards in the last few months as we know from the news. It's also a possibility that some of the municipalities with superior credit ratings are able to borrow at a discounted rate.

So it's likely some combination of all of those three. It's not possible, I understand, to actually define which, how many dollars are attributable to each of those specific individual reasons.

**Ms. Higgins:** — Thank you very much. When we look at the notes that are listed underneath the vote and you talk about the

“... \$500 million infrastructure stimulus package, to provide for additional projects under the federal-provincial [BCF] . . .” Additional projects, additional to provide for projects additional to the BCF [Building Canada fund], or additional BCF projects? I'm not quite sure if I'm reading that correctly or not.

**Hon. Mr. Hutchinson:** — Well I'll let our officials discuss the details there. My understanding of the question is as follows: \$100 million is simply the per capita grant given to municipalities, and the 31.6 is for the first year's intake. That's the projects that were reviewed jointly by the federal and provincial review panel with municipal oversight from the last budget, federally. And we certainly expect a new intake. We're told that the announcement about the dates, when it starts, when it finishes, any revised criteria for adjudication, etc., in the next few weeks.

**Ms. Higgins:** — Do any of the expenditures that are listed in these votes result in any staff increase within the ministry or contract work let by the ministry?

**Hon. Mr. Hutchinson:** — My understanding is that the answer to both of those questions is no.

**Ms. Higgins:** — Thank you. Of the \$100 million that was distributed through the municipal economic enhancement program, could you give me a breakdown on the formulas that were used for distribution.

**Hon. Mr. Hutchinson:** — Simply on a per capita basis, Mr. Chair. So you would simply need to know what the current population according to the latest Statistics Canada projections are, and then multiply, and that would provide all of the figures. It will vary of course considerably from community to community.

**Ms. Higgins:** — My understanding is that Saskatoon and Regina receive a 50 per cent share. Is that a breakdown on population also?

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

**Ms. Higgins:** — So the application form that was sent out to the municipalities, my understanding is that it is considerably shorter than traditional forms listing projects, which is good and I'm sure welcomed by the municipalities. Of the projects that were listed by the municipalities on their form — and I'm just going by comments that were made at SUMA [Saskatchewan Urban Municipalities Association] that I think the recommendation was to list two or three projects that were a priority for the municipalities — how many of the projects listed on the application forms were new projects?

**Hon. Mr. Hutchinson:** — That's a good question. I'll have to consult with officials to get the exact details.

I'm advised that we're not able to answer the question accurately at this point because ministry officials are still reviewing the application intake. Obviously there are hundreds and hundreds of them, and it'll take them a little while to sort through them, I'm sure.

**Ms. Higgins:** — So then would you have any information then

... Or I guess I can ask the questions and hopefully could receive information once the review is complete.

I'd also like to know how many of the projects are ongoing, that this new money is just adding to? Also how many of the projects will actually be in progress in the spring? And also, how many of these projects will be waiting for additional funding from the Build Canada Fund from the federal side of the funding equation?

So I would guess then that I would have to wait until after the end of the month when the final analysis is complete. Could you give me a bit of a timeline as to when I might expect the information?

**Hon. Mr. Hutchinson:** — Certainly. By the end of March, I'm told.

**Ms. Higgins:** — Thank you very much. Mr. Minister, this is a fair chunk of money that was announced and put out the door before budget. Was there any consultation with municipalities before the announcement?

**Hon. Mr. Hutchinson:** — Mr. Chair, some preliminary discussions had in fact taken place, and the assistant deputy minister has more detail that she can provide in answer to the question.

**Ms. Carlson:** — Maryellen Carlson. We have a practice of having four active working tables in the ministry under the municipal sector strategic plan, and at each of those tables there had been consultation around infrastructure needs, areas of priority, and ways in which the sector would prefer to see programs designed to meet their issues of administrative burden and addressing timeliness of decision making, and so all of those were discussed as part of the process.

[16:30]

**Ms. Higgins:** — So was there any discussion that would have involved the capacity throughout the province to continue or to move forward with new projects?

**Hon. Mr. Hutchinson:** — Mr. Chair, are we perhaps speaking about capacity of the construction industry to accommodate these projects? We're certainly aware of the opinions expressed by the Saskatchewan Construction Association through its executive director that staffing up with contractors — large and small — is already well under way.

In fact there are some public comments, and I've seen reported in the news media to that effect, in which the executive director said very clearly that the contractors here know very well that there's a lot of work to do and that the members of the association have been recruiting throughout the province and in fact throughout Western Canada and beyond. They're fully expecting to be able to meet this increased demand. I know via some anecdotal evidence as well that the Road Builders Association has been saying similar things. So they're equally confident that they can meet this increased demand.

**Ms. Higgins:** — So was there any discussions held with the municipalities for capacity within the municipalities for

applications that go ... I guess what I want to get at is that there's also been concerns that I have heard expressed from the municipalities for the onerous applications for the Building Canada fund. So I think there was relief when the ministry put out a fairly simple, straightforward application form. But there is also — and I'm sure the minister will correct me if I'm incorrect in my assumption — that the provincial money can also be used for putting forward the one-third share from the municipalities for the Building Canada fund and there is some fairly onerous application forms that need to go forward for the Building Canada fund.

So what I've heard from various municipalities is that smaller municipalities have to hire someone to meet all or to be able to fill out the application form and meet the criteria that's contained within the application form. So was there any discussion on capacity for the paperwork and work that falls into the lap of the municipalities for either of these programs?

**Hon. Mr. Hutchinson:** — Well, Mr. Chair, we're certainly aware of those concerns in the municipal sector. There are several things that we're doing to address it. When it comes to a program that the province itself is funding, MEEP [municipal economic enhancement program] for example, what we can and have done is to dramatically simplify the application process. It is, as the member states, a very simple form. It's just one page, asks a couple of basic questions, and that helps people get under way very quickly and very effectively.

On another front, we are also aware that there have been some ongoing concerns about the complicated BCFCC [Building Canada fund communities component] review and approval process. So what we're doing there is working with our federal colleagues to see what might be done in the way of streamlining that process, make that application form simpler, and certainly to streamline the process of reviewing and approving the projects too. So we're in touch with federal colleagues on an ongoing basis through the ministry officials, and they might be able to provide a little bit of detail to support that. That's what's being done right now. We think it's having some results.

**Ms. Carlson:** — I'm Maryellen Carlson. There is an active discussion with the federal government across this country on the simplification of application forms and adjudication, and we expect to see the results of that discussion very shortly.

**Hon. Mr. Hutchinson:** — Mr. Chair, there's one initiative that the ministry itself has undertaken with that problem in mind. The issues with respect to municipal administrative capacity to handle these sorts of demands are well-known and in response to that Municipal Affairs is working together with SUMA and SARM [Saskatchewan Association of Rural Municipalities] and have developed some programs to offer seminars that will support this municipal administrative capacity growth that we are looking for in the sector.

**Ms. Higgins:** — Can the minister table any analysis that was done before the announcement that would give us an indication of what type of impact \$100 million dedicated towards infrastructure would have on the economy? Often this has been referred to as a booster shot. Often even in your own ... in the votes, in the notes below the votes here, it talks about an infrastructure stimulus package. Is there any analysis as to the

dollar figure that was put forward as to what kind of an effect it would have on the economy?

**Hon. Mr. Hutchinson:** — Mr. Chair, we don't have any analysis that we are able to table today. But we can certainly undertake to get in touch with officials from the Ministry of Finance to see if that question can be answered in a bit more detail.

**Ms. Higgins:** — So then, Mr. Minister, was the \$100 million, was that just picked out of the sky? Was it an actual calculation of the impact it would have, or was it just an assessment of the requirements that have been put forward by the municipalities?

**Hon. Mr. Hutchinson:** — One of the chief components of the solution is to respond in a timely and effective manner to the need for infrastructure investment as presented to us by the municipalities. And of course while the more money you can bring to the table as quickly as possible, the better the solution in the eyes of our municipal sector partners — quite understandably so — there is also financial limits in what can be accommodated in a budget, and recognizing of course that what you might be able to do with \$140-a-barrel oil behind you is a little different than \$40-a-barrel oil.

So I think there are a number of factors that have gone into the construction of this particular program and certainly the overall amount of funding provided as well.

**Ms. Higgins:** — Well I guess when I have heard a number of times that this \$100 million and the \$500 million has been referred to and in fact spoken of as a stimulus, economic stimulus package, what kind of guarantee do you have that this money will be going into new projects and create new jobs and create new opportunities across the province other than just maintaining projects that are already on the go?

You know, I'm not criticizing. There is always, I'm sure, very good comments back from municipalities because there's always a need for added support at that level of municipal governments. But when this is being told to Saskatchewan taxpayers and advertised and talked about as a stimulus package, I guess, what qualifies this as stimulus? And where are the facts and figures that will talk about jobs created and the impact that it has on the economy?

**Hon. Mr. Hutchinson:** — Thank you, Mr. Chair. It's a good question. Certainly from the perspective of our municipal sector partners, as they have expressed it to us, is that money which will enable any project of real value to proceed quickly, whether it was something which was already planned, whether it was an extension of an existing project, or something which hasn't been, we were just looking forward to the time when we might be able to get to it sort of the thing.

Any of that work will have a stimulative effect on the economy, and what we're going to be finding, I'm sure, in a lot of the smaller communities is local contractors hiring local people and buying local building supplies. So a lot of the money will actually stay within the economy of these communities themselves. All of those things, of course, will have a stimulative effect.

One of the significant emphases that we wanted to place on the program, however, was to encourage the introduction of new projects, some things for which there was a real need, but hadn't yet been planned for, for which there wasn't money available for at that time. I think the assistant deputy minister has a little bit of extra detail to add to this particular question.

**Ms. Carlson:** — In each case, the municipalities would have submitted projects that were new because we were in a period of time where there were no other programs really on the table for consideration. It may be that these projects will be new construction, in some cases they may be the refurbishment of existing infrastructure.

They will perhaps now apply for some BCF money to do a bigger project than they would have originally intended in their MEEP application. But remember on their MEEP application, they've been asked to submit more than one project. And so should they be the recipient of some BCF money, you know, they may shift from one priority to another, depending on the availability of resources to them. But it's our understanding that what they're submitting to us are new things that this money would enable them to do that they wouldn't otherwise have done.

**Ms. Higgins:** — So then this money couldn't be used towards ongoing programs?

**Ms. Carlson:** — Projects yes. Our requirement is that once we sign an agreement with them, their project is to be completed by the year 2011, March, end of fiscal year. And so they have some time to execute while still ensuring that the project is done in a reasonable time frame to be the stimulus that the government is seeking, whereas in other programs in the past, communities have had in fact many years to execute on a particular project. And so this is really asking them to identify those high priority projects that they can execute in a short period of time.

**Ms. Higgins:** — High priority projects to be completed in a short period of time and the short period of time is pre-2011, so there's no requirement that the projects be ready to go this spring, right?

**Ms. Carlson:** — Other than high priority.

**Ms. Higgins:** — High priority to be completed by 2011. It's a high priority of the municipality. There's no other criteria put in place by the province.

**Ms. Carlson:** — It was made clear in the information that was sent to municipalities that the projects that they advance should be ready to go in order to execute on this stimulus environment. And so it's our understanding that, you know, they are both prepared to move quickly. They're priorities for them and they can execute by 2011.

**Ms. Higgins:** — So then I would ask, in your experience over the years in Municipal Affairs and with infrastructure projects, how likely is it to have a program announced at the SUMA convention, to have a new project developed and ready to go by spring if the funding is there? I mean we have to be realistic here. These projects are sitting in the hopper waiting to move

forward. So they're not brand new, new developed. They have been there; they have been spoken of. Because I mean you can't announce something at SUMA and move it ahead ready to go, shovel ready by the spring.

So then are we just, through this project actually . . . I guess what I'm getting to is, what guarantee do you have that this actually is creating new opportunity and not projects that the municipalities . . . Money's always welcome. It's always needed. But when you're advertising and talking about this as stimulus, what guarantee do you have that these are projects that wouldn't have been done otherwise?

**Hon. Mr. Hutchinson:** — Mr. Chair, what I think we'll have as a guarantee is that these are all projects that are urgently needed. I mean there's a tremendous infrastructure gap that municipalities have to address. And it doesn't matter whether they are northern or southern or large or small or rural or urban; it's the same everywhere we go. What we can guarantee is that the list of projects which were submitted by the municipalities through Municipal Affairs for this program are all things which need to be done.

And I suppose that if we can put it this way, eventually money becoming available, they would all go ahead in some sort of a time frame. I think that some of the municipalities will also have a ready list of things that, gosh, if the money were able to come, we could put something on the road very quickly with respect to an application. And in some municipalities that might be a bit more of a challenge.

Simply put, all of the work which will be presented is work that needs to be done. All of the work meets local needs. All of the work can be finished within a reasonable time frame, and all of it can be started quickly as well. There's so many projects out there that we will have no shortage of projects which meet each and all of those criteria.

**Ms. Higgins:** — So while it falls, without a doubt, into a traditional infrastructure program and revenue sharing that goes to the municipalities for infrastructure, I guess what I disagree with is that this is being put forward as a somehow unique stimulus package when you have no idea what new jobs will be created or what work is being done that is new, that wouldn't have been completed anyway by the municipality through one form or another. And that you don't know new projects, you don't know ongoing projects, and you don't know how many projects will move ahead this spring, it's pretty tough to say this is an economic booster or a stimulus package — and that's how it's been spun; that's how it's been spun, you know — when you can't answer any of those questions.

It's in some ways being misrepresented to the taxpayers of Saskatchewan, in my view, when you can't back up any of the claims that you have made. You're just tossing it out there because it seems to be a nice moniker for an infrastructure program that seems to make the Government of Saskatchewan feel like it's responding to a downturn in the economy. You need to be . . .

[16:45]

**Hon. Mr. Hutchinson:** — Mr. Chair, I disagree entirely. And

we will need to set some reasonable time on the question here too. I disagree entirely.

It clearly is a booster shot. We have an economy in Canada and around the world in real turmoil. There's all kinds of uncertainty. This is perhaps the only jurisdiction in Canada that will enjoy positive growth in the coming year. This is a call to action that's been issued, and we're able to respond and we're pleased to respond. Without any kind of a question at all, this will have a stimulus on the economy.

Part of it is to simply make sure that Saskatchewan municipalities are able to lock up contractor capacity here. With the federal infrastructure initiatives that have been announced in the recent national budget, we know that there's going to be more activity in other areas than might previously have been anticipated. In response, what we want to make sure is that Saskatchewan municipalities have money right away to get projects going right away. The earlier you can get out there to tender, the earlier that you'll be able to lock up contractor capacity and keep that here for the rest of the construction season.

It's exactly the same on the road building side. It's different kind of work, obviously, but there is an analogy that's very direct and comparable here. What the road builders have said through their association is, if you could come out with a tender, a significant tender of work, very early into the calendar year of 2009, you can lock up that capacity here. You'll get more bids and you'll get better prices. That's our undertaking.

And that might be anecdotal evidence, nothing that you could actually calculate in dollars and cents until you actually carry out that initiative. Well that's precisely what the government has done through the Minister of Highways and Infrastructure's recent tendering of something like \$200 million of projects. If you ask the minister, as I have, what were the results, the results were precisely as indicated in advance by the respective association. He did get more bids than were expected, and he did get lower prices than were expected because of this initiative. That's exactly what we're doing here. Will it work? I know that it will. We already have an example with Highways and Infrastructure projects. There's every reason to believe that this initiative will be equally successful.

**Ms. Higgins:** — Well, Mr. Minister, we're not here debating Highways. I'm sure there'll be many questions when Highways estimates are up in the House. But I guess I have to go back to, where's the guarantee? I mean you can't tell me how many of these projects are new. You can't tell me how many are ongoing projects. You can't tell me how many projects will move ahead this spring. They have to be done by 2011. The economy in the province of Saskatchewan could be quite a bit different than what we're seeing today by 2011.

And when you're putting out \$100 million and referring to it as a stimulus for the economy . . . Everyone loves money. And I'm sure that the municipalities will be able to spend the money because there are many needs and there are many projects that are out there. But if you're calling it a stimulus package, how many new jobs will you create? How many jobs will you create that wouldn't have been here otherwise? How much activity will be created? And when you're saying, I'm sure we'll see in

the smaller municipalities, local contractors being hired, well I can give you some anecdotal comments too where people have concerns from the other side.

So I guess I'm looking for some definite facts and figures that if you're spending \$100 million, we want to see what the impact will be on the economy and on the current slowdown in the economy, and a little bit more concrete information behind it.

I mean I think Saskatchewan taxpayers deserve that much. They deserve an explanation and a bit of facts and figures to follow-up an outside-of-budget expense of \$100 million up to 500 million in total.

**Hon. Mr. Hutchinson:** — Mr. Chair, in answer to that question, I'll offer the following comment. I think what Saskatchewan people deserve is a municipal infrastructure investment, something which has been sadly lacking over the last number of years. The need is urgent. It's demonstrable. There is absolutely no question of it whatsoever. So while we might wait for months or years if we chose to try to quantify the specific results of any particular program, this government is moved to act quickly in order to forestall dropping off of economic activity and the loss of contractor capacity, higher prices because we're losing that capacity — all of these things are urgent requirements.

We think that the right thing to do is to put a responsible, fully funded program on the road right now to address a problem which is urgent and needs to be addressed right now. We can talk about it as it unfolds. We can measure the results as it unfolds, and so we shall. There are reporting procedures that the assistant deputy minister will outline which will give us the kind of feedback that we will want on an ongoing basis in the coming months.

But to do nothing now but to sit around and talk about how we might quantify the expected or hopeful results is exactly the kind of approach that we've decided is not in the best interest of Saskatchewan's municipalities. And they agree wholeheartedly. Something needs to be done right now. This is the program that they've requested. This is the program that we are delivering to them.

**Ms. Carlson:** — Further to that, to build on what the minister has said, there will be an annual report that municipalities have to give us at the end of next year and then a final report. And in each of those cases, we'll know exactly how much money has been spent and the impact resulting from those expenditures. So we should be able to provide better information as we go along and the work actually starts.

**Ms. Higgins:** — So can I expect to get the response to my question by the end of the month then about how many projects are new, how many ongoing? And it will be delivered to Mr. Kirsch as the Chair and then distributed to committee; that's how it's traditionally done.

**Hon. Mr. Hutchinson:** — Mr. Chair, my officials will undertake to do that.

**Ms. Higgins:** — Thank you very much. Mr. Minister, I want to thank you very much for the answers. And I know we had

talked about running the clock out to finish off estimates today. And I guess my concern more is with the way this whole piece has been rolled out and some of the sell job that's been done putting it out there. I have more complaints with that and more concerns with that than I do with the actual program because, like I say, all of the municipalities need support. They also are crying for support in infrastructure projects that are ongoing, and I mean they just are to a point where they have to be done. So I don't have a problem with that.

I'm just concerned with the way it's been sold as a stimulus package and laid out there, that there isn't anything that will quantify it being an actual stimulus package. And if we want to get into debating the value of a stimulus package, is this the best place it should be put? Don't know because we don't have any information to back it up, so we're not going to get into that debate today any more than we already have, sorry.

But I guess what I'm looking for is some kind of a guarantee that this is going into new projects and that it is job creation. I know it's a saw-off, and I know we won't agree and we won't get the information laid out here today for all of it, but I do appreciate the comments you've made.

Can I just ask one other question? It's a little off the beaten topic I suppose. There's been a number of infrastructure projects, and you've made comment about inflation over the past year for a variety of reasons — whether it's contractors that are tied up, not being able to access the service that you need, or whether it's just the costs starting to rise — is there anything within the department that will address or help address projects that are stranded maybe between grants that were previously out there and balancing off the increased costs?

It seems to me at SUMA there was some comments in one of the dialogue rooms that — whether it had been the building communities, whether it had been other projects that were out there, as we have moved through this period of inflation and seen the costs climb in a number of projects — I was told that one of the ministers said that there would be support for projects that had run into cost overruns, but I haven't been able to find out anything definite. So I guess I'm fishing here, sorry. Do you know? Is there any consideration by the current government to look at cost overruns that have left projects hanging in limbo and communities not knowing what they're going to be able to do or what they can do?

**Hon. Mr. Hutchinson:** — I know that the assistant deputy minister has some specific information that might help with the question. I can give a general answer in the following. One of the best ways that we can address this issue of steadily climbing costs in the construction industry is to fund them as quickly as we possibly can, therefore avoiding future increases. If you can do it at a period when those increases are starting to plateau a little bit and become a bit more moderate, then you're all the better. And that's precisely what our folks are telling us right now.

If you go to the colleagues in the construction associations, they'll tell you that while prices are still going up, they've moderated to some degree. They're not going up as steeply as before so that makes this an especially appropriate time to move ahead with a project of the kind that we're talking about tonight



with this MEEP program.

That said, we just want to make sure that the earlier that you get money into the hands of municipalities, the more flexibility they have, and the earlier that they will know which projects they will have funding for, which projects they can proceed with. And the right group of projects to advance at this point in time, with that perspective in mind, is the ones that are available to go to construction immediately.

And in making the announcement that we did at that time, there's one more advantage. That advantage is that not a lot of construction is going to take place between now and when the frost comes out of the ground, but there's still planning work that needs to be done in some cases — finalizing of construction drawings, engaging of consultants to move a preliminary design through to a completed design ready for tender, the construction documents themselves, the placing of ads in the paper, the receiving and reviewing of tenders, the award of contract.

All of these necessary steps take time for each and every one of these projects. They're not avoidable in the majority of cases. If it's a small project which a rural municipality, for example, might feel inclined to undertake on its own, that exempts them from that system. But for everybody else, there is this timeline. The earlier you go public with this kind of process, let everybody find out about it, the faster they can get everything ready so that they can already have a contractor lined up, waiting with that capacity and a signed contract, ready to begin work as soon as the frost comes out of the ground. So that's perhaps one more advantage of moving ahead with this program in this fashion.

**Ms. Higgins:** — I asked something . . . at SUMA we had had a bit of a discussion about the infrastructure money that was put forward by this, I guess current — I don't think it's passed yet — federal budget. And I think there was 250 million that was available to the province of Saskatchewan though the funding that was put in this budget.

At SUMA I believe I asked you if we knew if it was new money or if it was just the former infrastructure program. I believe it was \$7 billion. What? Six hundred and fifty was projected to come to the province of Saskatchewan over seven years. So is the 250, is it new money? Do we know that, or is it just the original 7 billion condensed to get it out the door quicker?

**Ms. Carlson:** — It is our understanding that the infrastructure stimulus fund that you're referring to would be new money, but I would add that we have received no information from the federal government at this time with any details on the program itself. So that's what we know.

**Ms. Higgins:** — So it's a wait and see.

**Ms. Carlson:** — It is a wait and see.

**Hon. Mr. Hutchinson:** — The part that we do know is, I do recall sitting down with the federal minister approximately a year ago and signed an agreement that would bring, as you had said, about \$635 million to the table in new infrastructure

funding for, at that time, a projected period of seven years.

**Ms. Higgins:** — So that's signed.

**Hon. Mr. Hutchinson:** — Yes. We took it to the bank kind of thing. Yes.

**Ms. Higgins:** — Okay. Well thank you very much. I look forward to the information coming about the application process when it's available just to see a better breakdown of the projects that are on the go and that have been supported through this program. And, Mr. Chair, I think that's about it for me.

**The Chair:** — Thank you very much. Being there are no further questions, I would ask the minister if he's got any thank yous and closing comments.

**Hon. Mr. Hutchinson:** — Thank you, Mr. Chairman. I do have a couple of closing comments I would like to make. This is an important program. We had some good questioning today. Hopefully there's an increased level of understanding about it. I'd like to thank the members of the committee on both sides of the House for their time and attention today, and certainly the assistance provided by ministry officials. Thank you very much.

**The Chair:** — Thank you. And we will proceed with the vote, vote no. 30, Municipal Affairs, page 15 of your book. Municipal financial assistance, subvote (MA07) in the amount of \$131,610,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Federal municipal assistance (MA10) in the amount of \$13,812,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Municipal Affairs, vote 30, \$145,422,000.

**Some Hon. Members:** — Agreed.

**The Chair:** — I will now ask a member to move the following resolution:

Be it resolved that there be granted to Her Majesty for the 12-months ending March 31, 2009, the following sums for Municipal Affairs in the amount of \$145,422,000.

**Mr. Chisholm:** — So moved.

**The Chair:** — Mr. Chisholm. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Vote 30 agreed to.]

**The Chair:** — Now committee members you have before you a draft of the sixth report of the Standing Committee on Intergovernmental Affairs and Justice. We require a member to move the following motion:

That the sixth report of the Standing Committee on Intergovernmental Affairs and Justice be adopted and presented to the Assembly.

**Mr. Chisholm:** — So moved.

**The Chair:** —

That the sixth report on the Standing Committee on Intergovernmental Affairs and Justice be adopted and presented to the Assembly.

Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you one and all. I believe that concludes the business we have there this evening. This committee stands adjourned.

[The committee adjourned at 17:03.]