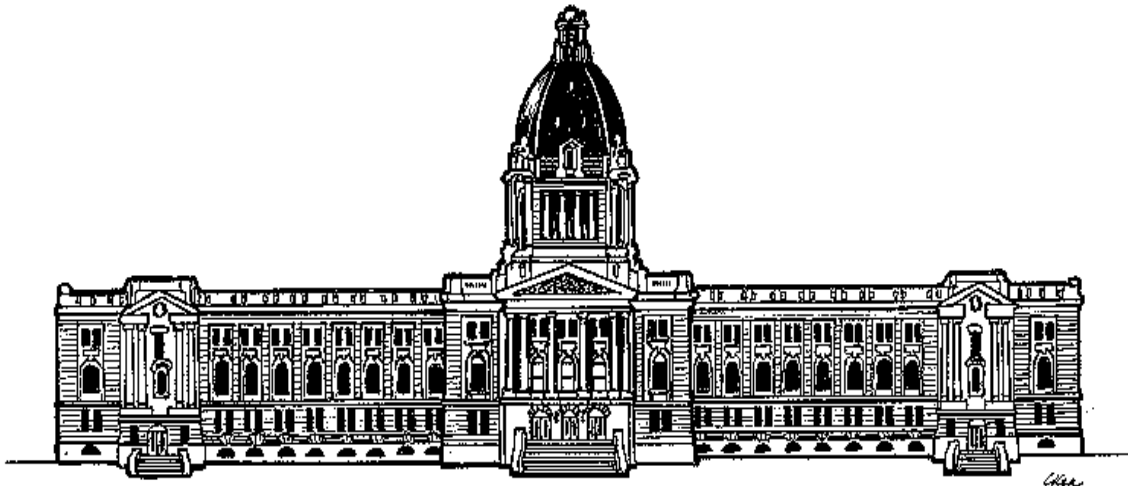




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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**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 Acting Chair (Mr. Chisholm): — Good afternoon, everyone. And welcome to the Standing Committee on Intergovernmental Affairs and Justice, this being Monday, March 30. The Chair is absent today. The Vice-Chair, Ms. Higgins, has asked that I fill in as temporary chairman in order that she be able to ask her questions as this is her critic area.

The Chair has advised the committee that pursuant to rule 146(1), the estimates for the following ministries and agencies were deemed referred to this committee on March 26, 2009: vote 25 and 163, First Nations and Métis Relations; vote 81, Intergovernmental Affairs; vote 3, Justice and Attorney General; vote 30, Municipal Affairs; and vote 27, Tourism, Parks, Culture and Sport. And this afternoon we will be dealing with vote 30, Municipal Affairs.

I've been advised that we have substitutions today. We have Tim McMillan is substituting for Delbert Kirsch; Laura Ross substituting for Joceline Schriemer; and David Forbes is substituting for Mr. Wotherspoon. Very good. Okay.

**General Revenue Fund
Municipal Affairs
Vote 30**

Subvote (MA01)

The Acting Chair (Mr. Chisholm): — The first item of business then is the estimates for the Ministry of Municipal Affairs found on page 119 to 121 of the Saskatchewan Estimates book. Mr. Minister, I would appreciate if you would introduce your officials and perhaps if you have any opening comments. And then we will proceed directly.

Hon. Mr. Hutchinson: — Thank you very much, Mr. Chair. It's a pleasure to be with you here today. And I am indeed joined by senior officials from the ministry, including the following: Mr. Terry Coleman, deputy minister; Ms. Maryellen Carlson, assistant deputy minister; Ms. Wanda Lamberti, executive director of central management services; Mr. Russ Krywulak, executive director, grants administration and financial management; Ms. Kathy Rintoul, director, New Deal secretariat; and finally, Mr. John Edwards, executive director of policy.

I'd like to begin with a few broad comments on our budget with respect to municipal capital investment and our government's approach to revenue sharing — what we are now calling municipal operating grants. Then we would be happy to address any questions committee members may have.

Our government has set clear priorities to keep Saskatchewan's economy strong and steady, achieving a fairer balance in funding for our municipalities to manage the growth carefully and responsibly, and to keep our promises. We made a mandate commitment to deal with the issue of revenue sharing for municipalities. We have kept this promise and we kept it a year earlier than we first stated.

This budget introduces the municipal operating grant program.

Why the name change? Well it's really a more accurate way to describe the purpose of the program. Urban, rural, and northern municipalities will be getting \$167.4 million. To break it down a bit further, urban municipalities are getting \$107 million, rural municipalities are getting \$48 million, and northern municipalities are getting \$12 million. This is equivalent to 90 per cent of one point of PST [provincial sales tax]. In 2010 and '11 and subsequent years, the equivalent of 100 per cent of one point of PST will be provided for municipalities. I don't think it's an overstatement to call this an historic change to funding municipalities. Municipal operating grants have risen from \$117.2 million in 2007-08 to \$167.4 million budgeted for 2009-10. This is an increase of 42.9 per cent.

Now when you combine this with the reductions in education property tax, our government's hope is that higher municipal operating grants will help make life more affordable for people throughout our province and help reduce the need for property tax increases overall.

I would also like to point out that this budget provides \$75.8 million for municipal capital investment through such programs as the Building Canada fund-communities component, Saskatchewan infrastructure growth initiative, urban development agreements, Municipal Rural Infrastructure Fund, municipal infrastructure grants, and provincial municipal support.

In this budget in fact we are spending \$266 million in municipal financial assistance. This is a 39 per cent increase over last year. This includes municipal operating grants, municipal capital investment through the programs I have already mentioned, transit assistance for the disabled, grants in lieu, funding for SAMA [Saskatchewan Assessment Management Agency].

This budget has a \$2.9 million budget for transit assistance for the disabled and it also has \$13 million in grants in lieu of taxes. We're also providing \$6.7 million to support the operations of the Saskatchewan Assessment Management Agency, SAMA. We also made a mandate commitment about the Saskatchewan infrastructure growth initiative, or SIGI as we call it for short. With the introduction of the SIGI program back in 2008, we kept our mandate commitment and we will soon announce the 2009-10 approvals for 30 new lot development and off-site infrastructure projects in 27 communities. Over the four-year program, we estimate this mandate commitment will cost the provincial government 67 and a half million dollars.

This budget sees the municipal rural primary weight corridors program moved to the Ministry of Highways and Infrastructure. This budget also sees \$60.2 million provided through the federal gas tax program, or an 86 per cent increase. This of course is a flow-through of federal funding.

Overall it means infrastructure funding and funding for other programs like transit and grants in lieu, dollars that affect northern, rural, and urban communities, have increased from \$83.3 million in 2006-07 to \$151.5 million in 2009-10. As the Minister for Municipal Affairs, overall I am proud of this budget. We not only kept major mandate commitments, we have also made history in support of the municipal sector. We will continue to work with other governments, ministries, and

municipal partners to build effective government-to-government relationships.

We'd be pleased now to answer any questions or respond to comments you might have on the Ministry of Municipal Affairs budget. Thank you very much, Mr. Chair.

The Acting Chair (Mr. Chisholm): — Just prior to we get into the questions, I just ask that any of your staff would please introduce themselves if they are addressing the committee. Thank you. Vote no. 30, subvote (MA01), central management and services. Questions.

Ms. Higgins: — Thank you very much, Mr. Chair, and thank the minister and his officials for being here this afternoon. Mr. Minister, I must say municipalities were quite pleased that there is a revenue-sharing or municipal operating grant — is that's what it's been switched to? That's not a good acronym; you need something catchier. Anyway I mean municipalities were happy. There's been many years of work that's gone into putting this together.

I know in the initial set-up to go into the municipal sector discussions, there was a number of other background issues. I guess background isn't really the appropriate term because it covers a great deal more than that. When we talked about in respect to the roles and responsibilities of whether it's federal, provincial, municipal — looking at roles and responsibilities — did that continue to be part of the lead-up to the formula and the changes that we saw put in place just with this budget?

Hon. Mr. Hutchinson: — Thank you very much for the question. Yes, as I understand it, some of those discussions did continue. And Maryellen Carlson has further detail she can add to this.

Ms. Carlson: — Maryellen Carlson. The work on roles and responsibilities form the foundation of the discussion about operating grants going forward, so that was a very fundamental piece in determining who was responsible and then to what degree.

Ms. Higgins: — Was that just kind of general discussion, or did you release or have any kind of documentation that more clearly divided the lines of roles and responsibilities? Or was it more just used to act as benchmarks or guidelines for the discussions?

Ms. Carlson: — It was used as a fundamental piece of the analysis going forward, so it was part of the working documents that each of the four tables used as they proceeded with the revenue-sharing discussions.

Ms. Higgins: — I have to go back to that later, but wanted to move on to a couple other areas. When you look in the budget and in municipal, the operating grants are laid out into the three categories of urban, rural, and northern. And I know the urban is also divided into categories of cities, towns, and villages. Where are resort communities, just for my clarification? Is that within the urban or the rural breakdown?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. They are in fact urban municipalities.

Ms. Higgins: — I just wanted to be sure on that.

So now that you've come to a decision and an agreement on basically attaching municipalities to revenue from the province, that gives more consistency, better opportunity to plan and move ahead with their budgeting more. I mean it just works in more appropriate ways than these haphazard or ad hoc type of increases or adjustments. Are you looking at any changes to the breakdown in the formula by which the dollars are distributed? Or is everyone happy with the way it's currently being done?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair, for the question. The distribution formula was one of the primary elements of the discussion with all four of the tables represented simultaneously. The cities, towns, villages, rural folks, and northern communities all had this kind of discussion going on at the same time. They brought their facts and figures to the table in order to enable this discussion and move it further ahead. The distribution agreement that was eventually worked into the program comes directly out of the discussions with each of those tables, based on the figures that they presented. And I think Maryellen has further detail that she would like to add to that.

Ms. Carlson: — I would only add that the distribution between the pools was based on the needs-based analysis that all the pools agreed to. That being said, over time there may be a need to revisit that down the road. But for the short term we'll leave the pools as they are.

Ms. Higgins: — So in your estimation then, what is short term and what is down the road? I'm just trying to look at, you know, how many years we're talking about that this may be settled or in place or . . .

[15:15]

Ms. Carlson: — In answer to that, we have not yet fixed the specific date. But I can tell you that the tables continue to talk about four to five years we'll revisit the methodology.

Ms. Higgins: — One of the concerns that I have heard, but this goes to I think a number of issues, and that has to do with some of the inequities that exist no matter what formula you are using. Well I won't say no matter what, but when your formula is based on a per cap and we are dealing with Stats Canada which is, 2006 I think are the most current numbers that we are dealing with. So when we look at many communities, small urbans that have seen a pretty good growth over the last number of years, they're not getting credit for that, are dealing with the issues that are out there in providing services, but won't receive credit until after the next StatsCan numbers are released.

So I know there's processes in other provinces that they may use — health numbers, or I guess there are other options. Is the department looking at any change to the use of the StatsCan numbers to go to something that's more current and more responsive to what the communities are needing and municipalities are dealing with?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. We think that the right course of action at this point in time is to continue using the Stats Canada results. They are the

one reliable and consistent source and they come from the federal government. And the federal government is actually involved with a number of the cost-sharing programs too. So at this point it seems to be a wise course of action to be consistent with the data that they are using. In that way, we won't be confusing the issue.

Is it possible to look at other alternatives? It certainly is, when we know that there are other methodologies out there. In fact, some preliminary investigation of those options is under way.

Ms. Higgins: — When are we expecting a new set of numbers from StatsCan, because it's every four to five years, isn't it? Do we have, do you have any idea? Eleven?

Hon. Mr. Hutchinson: — Apparently it's 2011 that we're expecting the next round of figures from StatsCan.

Ms. Higgins: — So that will be a census, and then the numbers will be probably a year lag from that.

Hon. Mr. Hutchinson: — We think that's correct, yes. It takes them a little bit of time to pull together. Well first of all, they have to do all of the questions and answers and they have to compile all of the results and then distribute them to all the various provinces and territorial jurisdictions, so it does take a little time.

Ms. Higgins: — Okay. I guess though we're dealing with numbers then, come 2010 where the municipalities are going to be receiving grants based on numbers from 2006, which is getting farther and farther away from where their actual numbers may be. But anyway, if that's the decision, that is.

Another question that I have been asked, and this was kind of a passing comment from a couple of my constituents that have been involved in the RMs [rural municipality] for a number of years and they felt that the percentage of the revenue-sharing pool, less of the revenue-sharing pool on a percentage basis was going to RMs. Is that accurate? Has there been a shift over the past number of years?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair, for the question. At first blush, it might appear so. But what we've done here is to transfer some of the dollars — I'm thinking in particular of the primary weight corridor program — out of our ministry into the Ministry of Highways and Infrastructure. So that one group oversees all of these road programs so that we don't have any overlaps and gaps between them.

We don't have engineering capacity in Municipal Affairs and they've got a lot of it in Highways and Infrastructure. So it seems sensible to transfer responsibility for those programs and the budget that goes with them into the other ministry. So those dollars which would normally have appeared on the books as dollars going from our ministry, through our ministry to the rural municipalities, actually disappear. But if you look at the books, if you will, the estimates from Highways and Infrastructure, you'll find that they've picked up exactly the number of dollars that we've dropped. In effect it's just a transfer.

In addition, more dollars have been added to the rural

infrastructure programs through the Minister of Highways and Infrastructure.

Ms. Higgins: — So you may have transferred the program and the dollars but not staff, because the staff in the department went up this year? So there was no staff transfer, no FTE [full-time equivalent] transfers with the program that would have managed it at all?

Hon. Mr. Hutchinson: — Not directly with those programs, Mr. Chair.

Ms. Higgins: — Another, I guess, issue that I've heard raised of course . . . And I do want to thank you, Mr. Minister, for answering questions. I know I was a little bit out of line at the SUMA [Saskatchewan Urban Municipalities Association] convention in a dialogue room when I asked you a couple of questions just for clarification. And I do appreciate the answer.

We had a fair bit of discussion on the Building Canada fund at that time, and I know there was a real lack of information that was coming forward from the federal infrastructure program. And I had asked you a question as to whether the money was, that was designated in this last tranche of money that went out as economic stimulus from the federal government, if it was actually new dollars or if it was just the original commitment to the seven years of infrastructure program that was condensed and being pushed out the door a little quicker. So is the seven years of funding still there plus the economic stimulus to municipalities, to the province, or is it instead of?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. I am aware that . . . Well let's break that down into two questions then. At the time, what we knew about it was that we had certainly requested that the federal government finally write off their final approval for dollars for all of these infrastructure projects for the previous years intake of applications. We had several dozen very worthy projects.

We already know that the municipalities have brought their money to the table — that's part of the eligibility criteria. So they have their money there. We have our money in the provincial budget. We know that the federal government has equivalent dollars on a third, third, third basis in most cases. We simply needed them to sign off on the thing and say, get started. So that was where we were at the time, as I recall. A short while later, we had the pleasure of attending a news conference with folks from the federal government saying exactly that. And that was the \$95 million or so of projects from the first intake rolled out the door.

What we also suggested was that we would like to see another intake as quickly as possible in this new fiscal year, and that has actually been announced as well.

With respect to the telescoping of the dollars and how that all works, Maryellen has more detail that she can add.

Ms. Carlson: — I would only add the following. First of all, what the federal government has done is two things. They have accelerated funding that was previously announced under the Building Canada fund. Secondly they have augmented that funding with new programs, a myriad of new programs that

were a part of their budget. A number of them are specific to municipalities and then a number of them are targeted at other end-users. So it's a combination.

Ms. Higgins: — So the new programs though are on top of the initial seven-year commitment for the Building Canada fund.

Ms. Carlson: — That is correct.

Ms. Higgins: — Another question that I have is, we had seen the initial set-up of SIGI last year for municipal borrowing for new subdivisions, residential developments. I know that municipalities have the restrictions about debt, and they need to seek approval if there is a need to carry any debt from, I believe, the Municipal Board. Is that where the approval is granted? Have you seen an increase in the requests for approvals for debt to be allowed in municipalities?

Ms. Carlson: — Certainly the number of municipalities that are borrowing has increased as they attempt to do both borrowing under the SIGI program and under the other matched fed-prov programming. So in answer to your question, yes, we've seen a number of municipalities' borrowing increase.

Ms. Higgins: — So what kind of guidelines would be used for approval to borrow, and what kind of . . . I guess I worry that there are so many needs out there, that there has been such a flood of cash and programs that have come out, and many of them have been matching dollars that have been required. And we all know that there is a fair bit of legwork that has to be done in many of these projects before you can even submit your application and be at that level. And that adds costs on also.

So I guess I'm curious as to how the approval for borrowing is done and what kind of guidelines or what would start to raise red flags. And have you ever denied the authority to someone to . . . or has the board ever denied the authority to borrow more money?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. I see that as two issues. If I can address the first one, and ask Maryellen to address the second one.

The first one deals with municipal capacity. Now first of all, do these communities have the capacity and the time to pore through the applications and to deal with all the paperwork that's required? Wherever they need assistance, they're offered that assistance by the folks at Municipal Affairs. I mean there's a well-worn path to the door, and they've answered a large number of inquiries about these new programs and received a lot of direct hands-on assistance with filling in the paperwork that's required. With respect to the other question, which is more technical, I'll pass that part over to Maryellen for further answer.

Ms. Carlson: — As it relates to the SIGI program, the approval process is twofold. The first phase of that is, does the application meet the terms and conditions of the program overall? Is it for enhancement of capacity to develop lots or infrastructure tied to growth? And that's certainly what the ministry conducts.

Their ability to borrow is assessed by the SMB [Saskatchewan

Municipal Board] on a case-by-case basis. So the SMB actually has quite an extensive, I would say, review and counselling role with municipalities to ensure that their financial situation and the implications of servicing that debt are fully understood by that municipality as it decides to proceed. Options are weighed with an individual community and then there is a decision made, I think, on the part of both parties as to whether they want to borrow and proceed using the program.

So, you know, SMB has really quite a very good mentorship role as well beyond that of just an approving body.

Ms. Higgins: — Thank you very much for the explanation. One other issue that I know has been around for a while is the concern by municipal transportation, transit. And instead of the provincial government contributing only to disability transit, that there would be more of an investment and more support offered for normal municipal transit, whether it's your city buses, whatever it is.

Because I have been told a number of times that Saskatchewan is the only province that doesn't have support in place for this type of transit and the needs that are out there. Have you looked at it or given it any consideration?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. As before, I'll lead off and I'll let the ADM [assistant deputy minister] finish up with some more technical detail.

First of all, the transit for people with disabilities is one of the top priorities and I think needs to be. We've done two things. We recognize that something needs to be done to address the issues that these transit services are facing in their respective communities. So we've increased the funding on an interim basis. And we've already begun widespread or broadly based consultation with users and the people that actually provide the services on behalf of users.

We went to Saskatoon a while ago and chatted with users from all over the province. We've had independent, additional discussions with the people in Saskatoon and the people of Regina that offer these particular programs. We try to understand what the issues are and how we might best resolve them going forward together.

[15:30]

With respect to regular transit in particular, the emphasis so far has been on capital. I can recall from my days when I was a member of Regina's City Council, the big issue is, where are we going to get the money to buy new buses? If you're going to be more fuel efficient, if you're going to reduce the overall environmental footprint of the service, you want to have new buses which are more fuel efficient, the ones that can use low sulphur. If you want to meet a wider variety of people's needs, you want the low-floor ones which can actually kneel down to the curb so that people with walkers and wheelchairs can easily be accommodated in the regular transit system. Those were the sorts of issues that we were addressing on a day-to-day basis.

With that in mind, we were delighted with the new federal program which provided a number of millions of dollars specifically for transit, and in particular for capital. You could

use them for rolling stock, these dollars, and you could also use them to upgrade your accommodation and maintenance facilities — wash bays, repair facilities, those kinds of things. If I recall correctly, we just approved the flow-through to municipalities with transit services on a ridership basis, something like 15 and a half million dollars, which is the latest instalment from the federal program.

So on the capital side, which I always thought was one of the more urgent priorities from my perspective, that need in fact is being addressed in a way which hadn't been done in the past.

Ms. Carlson: — I would add to that there are dollars available for public or paratransit through the gas tax program — it's a use that is eligible — as well as the Building Canada fund. Communities can apply to use that money for transit as well as the specific transit dollars that the minister just referenced. Previous to this, through the Municipal Rural Infrastructure Fund or MRIF, transit was also an eligible category for investment there. And then of course, lastly, there is, specific to paratransit, our program TFD [municipal transit assistance for people with disabilities], transit for persons with disabilities.

Ms. Higgins: — The disability transit is for buses only. Am I correct in that? And so then what I understand from the answer that I was just given to the question, are you looking at providing any support to regular transit? The answer is no?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. With respect to paratransit, there are two sources of funding. There were two critical needs for this particular service in years past. The federal government has come to the table with a lot of dollars for transit services, and they could be used for fleets and facilities, both for regular transit and for paratransit.

Our hope, of course, is that in upgrading their fleets, those communities that offer transit and paratransit will find a way to allocate a certain number of these capital dollars for both so that both the fleets for regular transit and for paratransit can be upgraded. And in actual fact, the buses for one can be used to solve the other's needs as well if they're coordinated in the right sort of fashion. And transit properties across the province are well aware of that.

Ms. Carlson: — When it comes to regular transit, as I mentioned, the programs we outlined support the capital. But when it comes to operating funding for regular transit, municipalities have the municipal operating grant to dedicate to public transit should they choose. Those are unconditional dollars. And if transit is a priority for municipalities, they can use that money to augment that system in any way they see.

Ms. Higgins: — Okay. Thank you very much for the answer. What I will do now, Mr. Chair, I'll pass it over to my colleague, Mr. Forbes, so he can ask a number of questions that he has.

Mr. Forbes: — Thank you very much.

The Acting Chair (Mr. Chisholm): — Mr. Forbes, go ahead.

Mr. Forbes: — I have an interest in one particular area, and I'm just wondering if the minister would be prepared to speak a

little bit about the urban development agreements. I think it's an innovative area and I'm just curious to how the minister sees the urban development agreements moving forward.

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. The urban development agreements, UDAs for short, are in partnership with our colleagues in the federal government, the government of the day in Ottawa. So far, the interest has extended only as far as the two largest communities, Saskatoon and Regina, and obviously there are needs well beyond there and we have nearly 800 municipalities and they all have issues which need to be addressed.

We're also aware of the fact that the federal government is changing the way that it wants to attack these particular priorities. That's why it's introduced, for example, all of the envelopes of money, the different programs together, which constitute the Building Canada program, and they are winding down the urban development agreement program. So that option won't be available any longer.

On the federal side, they will have committed many more dollars through the Building Canada program, and on the provincial side we've of course very significantly upped the number of dollars that we made available — both on the infrastructure side and the operation side — through the MEEP program and also the municipal operating grant program. So that's how we're intending to tackle those particular priorities. And again that will actually find its way to all 800 or so municipalities, not just two.

Mr. Forbes: — So what I'm hearing — and correct me if I'm wrong — is that this program is then winding down and both the federal and the provincial governments don't see this moving far, but you . . . I take that as correct?

Hon. Mr. Hutchinson: — Yes, Mr. Chair, that is in fact correct. Different ways of tackling those particular problems have been pulled together, and we're going down a different path. Now the federal government has indicated that it's winding down the UDA program and has shifted its priorities to spending in the Building Canada program.

Mr. Forbes: — And I appreciate the answer, and I appreciate there are challenges as the minister speaks about the 800 municipalities. But as someone who represents the core community of Saskatoon . . . And we know that these were initially structured to help core communities right across Canada, usually in larger urban settings. And of course it wasn't a huge amount of money. I think it began to be about \$10 million in each of the urban communities in Saskatchewan.

And I think they addressed unique challenges that the older parts of the cities found themselves in, but I do want to ask a question. So there is now remaining in the budget \$1.5 million. Is that correct? Am I reading that right?

Hon. Mr. Hutchinson: — Sorry, we lost the last part of the question.

Mr. Forbes: — Am I reading this right? There is \$1.5 million remaining in the fund?

Hon. Mr. Hutchinson: — I believe that's approximately correct. Yes.

Mr. Forbes: — Now what would be the federal share of that?

Hon. Mr. Hutchinson: — The answer to that question is that we're not aware of an exact figure. The dollars go directly from the federal government to the municipalities. So some of the folks in Ottawa would have that final figure, if anyone.

Mr. Forbes: — Then of this 1.5 million — and of course there were two agreements: one for Saskatoon, one for Regina — how much is going to Regina? How much is going to Saskatoon?

Hon. Mr. Hutchinson: — Apparently the agreement struck with the federal government was that \$10 million would be going to each of the largest communities, Saskatoon and Regina.

Mr. Forbes: — But I'm asking about the 1.5 million. How much of the one point — is it 750,000 to each municipality, that they're eligible to . . .

Hon. Mr. Hutchinson: — We're searching for the information as we speak.

Mr. Forbes: — I'm on a pretty arcane and obscure point here, so . . .

Hon. Mr. Hutchinson: — No, that's fine. All these lines of questioning here are pertinent and important. While we're doing that, perhaps I could take this opportunity to point out that on the per capita infrastructure expense, which will take care of a lot of the sorts of priorities that the Saskatoons and the Reginas have, along with all of the other 800 municipalities, Saskatoon will receive something in the order of \$22 million. So I'm sure that if you asked the mayor, he would be delighted to confirm that a large number of infrastructure projects which they would like to do in core areas can now at last proceed — road repairs, water and sewer, all of the bits and bolts that go towards constructing the community.

As far as operating dollars in order to increase the program spending to look at the program challenges faced by inner-city or core communities, there has been a very significant increase through the municipal operating grant or the revenue-sharing deal as well, so what we think we are doing with these new programs is very adequately — more adequately than in the past, certainly — equipping Saskatchewan's largest municipalities, and in fact all municipalities to get the job done properly.

Ms. Carlson: — I would add that we don't have the information available with us today to tell you of the remaining dollars how much is dedicated to Regina and how much is dedicated to Saskatoon. What I can tell you is that there are conversations under way and nearing finalization on the complete allocation of those dollars to the two cities. So by the end of this month in fact the money will be allocated to projects and then next year will simply be the expenditure of those dollars to complete those projects.

So if you'd like further information we can follow up with the detailed amount that Saskatoon has yet to allocate by the end of this month, to you directly.

Mr. Forbes: — Well I think if you're near completion of the discussions . . . But one of the conversations that has taken place in my riding, Saskatoon Centre, and you may have heard in the news around lead in the water because we have old houses. And it's a significant problem, particularly in my riding because of so many houses that were built before '47.

And it came up as a really interesting way to address that issue that's unique. Because I appreciate the minister's comment about the other money that's flowing. But as all communities . . . And we know that there are challenges out there in maintaining and building infrastructure, and what's fair in communities. And then you see what's happening in the core communities of Saskatoon, and I would imagine in Regina and I would imagine right across the province. Any home that's built prior to World War II is dealing, could be dealing with lead in the water.

And it's a unique issue that I think is a challenge not only for municipalities but also for the federal government and the provincial government, how to come to terms with this issue in a way that . . . I mean it's a huge expense, a huge expense, and we don't expect that we'll be paying for ripping up the streets and, you know, but at least testing so families know the quality of water.

The city of Saskatoon has said run . . . It's so ironic. They say on one hand, run your water for five minutes, but on the other hand we're saying, get a low-flush toilet. And somehow in between there, there has to be a better way to deal with this. And I think at least an informed citizenry is a very important thing. And I was hoping the UDA might be able to help with this because it is so unique to older communities, and I know it's done a really good job in Saskatoon and a really good job in Regina, and I think right across Canada in the older communities.

So, Mr. Minister, if you're ever thinking about resurrecting programs that are small but very specific, that I think it was supported across the country and supported in the province. Because downtown communities have challenges. And I know some of that money actually went to the exhibition barns because it was also directed to economic activity in the core areas, and Exhibition Park in Saskatoon is part of that. And that was, I know, one that the local MP [Member of Parliament], Carol Skelton, really believed in, and she championed that.

So having said that, I don't know if I have very many more questions. I was hoping that you hadn't made your decision. If there's any spare change left over, we have some projects. Because actually we do understand there is some federal money left over. I know Kelly Block, the MP, has done some research on that area. You have some comments?

Hon. Mr. Hutchinson: — I think Maryellen has a comment that she'd like to add.

[15:45]

Ms. Carlson: — Yes. Up until recently there was some unallocated money for both the city of Regina and the city of Saskatoon, but given that allocation decisions needed to be made by the end of this month, those decisions have been taken. I would also add that your point about the water infrastructure is an important one, although in the UDA agreement, for each city that the feds contributed 5 million, the province and the city each contributed 2.5, coming to the total of 10.

The federal government had taken the program towards investment in those projects that had quite a strong economic development theme. Although that was not the original intent of the program, it developed in that fashion. And so the project that you speak of today, I think, if there was still money to be allocated, the federal government would not deem that to be eligible and would point to other programs like the Building Canada fund as a program that better suits that investment purpose.

Mr. Forbes: — Well I hear the ministry giving hope for pursuing this around lead in the water in terms of other programs that I can . . .

Hon. Mr. Hutchinson: — In answer to that particular question, Mr. Chair, the city has an opportunity to make specific project-based applications to the new programs that are available. We would certainly welcome that and encourage them to do so, recognizing that there's an enormous number of needs. And the city will have to balance its priorities just as every other jurisdiction does, locally and provincially as well. But it's the right thing to do, no question.

Mr. Forbes: — Thank you very much. I appreciate the answers.

The Acting Chair (Mr. Chisholm): — Thank you, Mr. Forbes. Mr. Taylor.

Mr. Taylor: — Thank you very much, Mr. Chair, and welcome, Minister. I appreciate the opportunity to ask some questions. I also want to acknowledge the members of your administration team that are with you. I had the opportunity to work with the majority of the team that you have around you today, and I can tell you that I am very excited that the people that are working with you and the ministry continue to do the work for the people of Saskatchewan. I think it's one of the most dynamic, intelligent teams in government today. You're very fortunate to have this wonderful group of people working with you.

That having been said, I want to ask some questions about the new grant funding, the provincial sales tax percentage point. It has been announced in the budget. We're dealing with it here in estimates today that this year municipalities will receive a grant essentially 90 per cent of one percentage point of the PST, going next year to one full percentage point, just to clarify. Am I correct on that?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. First of all I'd like to take a moment to agree with you 100 per cent. We do in fact have an excellent team. We are extremely well served by the folks in Municipal Affairs. They do a wonderful job. And yes, indeed, whereas this year it is 90 per cent of one point of

PST, equivalent to that, thus 167.4 million, next year it will be one full percentage point of PST that we're basing the revenue-sharing agreement on.

Looking ahead, we've already got the results from I think it's three quarters, so we can forecast something considerably in excess of \$200 million if everything goes according to expectations.

Mr. Taylor: — And that, Minister, is part of the process that I want to examine now in my line of questioning. Essentially what is the cut-off date for when the calculation occurs? We've got the 90 per cent applied for this year. Municipalities are now aware of 167.4 million. So when we look towards next year, what is the cut-off date that the Saskatchewan government will use to calculate that one percentage point?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. That's a good question. I've got a bit of a blurb here that if I simply read it I think it'll be quite self-explanatory.

In 2009-10 the Municipal Operating Grant program will distribute \$167.4M to municipalities. [And] this [of course] is the equivalent of 90 per cent of one point of PST (*from 2007-08 Public Accounts*) . . .

In 2010-11 and subsequent years, the equivalent of 100 per cent of one point of PST will be provided, as reported in the most recent version of *Public Accounts* — for clarity, the 2010-2011 operating grants will be based on PST as reported in the *2008-09 Public Accounts* . . .

And hopefully that clarifies it. It is in fact the public accounts. We'll never know exactly what this year's current results for PST are until it's over, so we're basing what's in the budget for PST on last year's figures as outlined in the public accounts themselves.

Mr. Taylor: — So now I can't remember the date that the public accounts are released. A big part of the argument for utilizing a per cent of the PST for municipalities is certainty for their budgeting process. So what in your estimations is the time frame by which the municipalities . . . First of all, the government will have that information from public accounts and will be able to make known to the municipalities the amount of money that will be in the pool on this annual basis. How far ahead of municipal budgeting will the number be known?

Hon. Mr. Hutchinson: — The actual number should be known about six months in advance of the municipalities making their budgets, or six or seven or so. Think about it in terms of a half a year.

September is typically the time when the public accounts are pulled together and distributed. So we should know each September what the forecast and whether the forecast has actually been met or not. We'll know last year's number in each September.

So let's imagine, going forward in this next budget cycle, what will this number be for next year, that we expect to be something like \$215,000, if the forecasts hold? We'll know that

in September. We already know about three quarters. We'll have to get through the fourth quarter and wait for the public accounts folks to pull their figures together. Then we'll know.

So typically municipalities will know exactly what they're looking at a full six months in advance. However they have a fairly good understanding of it an entire year in advance because right now we already have three of the fiscal quarters reported. So we already know a full year in advance where municipalities can likely expect things to go, unless there is an enormous spike in PST or an enormous drop in it. And we can probably predict those trends without . . . not with accuracy but perhaps . . . We're going to be helpful anyway.

So we'll know the figures exactly six months ahead of time, and we'll have a very good idea where they're going a full year ahead of time. And that's going to help that planning.

Mr. Taylor: — And so I'm assuming that we rely on the Department of Finance to tell us what 1 per cent is worth because that does vary from year to year depending on how much tax is collected. Is that not correct?

Hon. Mr. Hutchinson: — Absolutely, Mr. Chair. We do in fact rely on Ministry of Finance officials to provide those figures for us.

Mr. Taylor: — Now what happens, what have you told the municipal leaders about what happens in the event that government chooses on its own to reduce the PST, as happens on occasion? And governments frequently run on a platform of reducing taxes and therefore reducing the amount of PST collected. It's currently a total of 5 per cent. If government were to review revenues and decide that the PST could be 4 per cent or 3 per cent, what have you told municipal leaders about the value of one percentage point if in fact the total amount collected is to be reduced by government policy?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair, That in fact is an excellent question, and it's one of the questions that the municipal leaders wanted answered of course. What we've been able to confirm to them is it won't make any difference to the program and to the revenues that municipalities should expect at all. It's still equivalent to 1 per cent of PST whether it's 2, 3, 4, 10, 1. It doesn't matter. PST might go up, it might go down over the coming years for whatever reason. But that won't actually change the outcome for municipalities at all.

What they're guaranteed to receive from next year's budget onwards is the equivalent of 1 per cent. Simple as that.

Mr. Taylor: — We are determining on the basis of what you've said earlier that possibly for '10-11, one percentage point is being calculated at roughly \$200 million. You're kind of, you know, on the basis of some projections here, is that a number that you would project into the future, that one percentage point will continue to raise \$200 million on an annual go forward?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. What municipalities have asked for, obviously more money for sure, but a stable predictable source of funding which grows with the economy of Saskatchewan. PST is

considered both by the government and our municipal sector partners as being an excellent indicator of the relative health of the economy. As the economy grows so should PST, and it's easily calculable.

And by the way, it's all numbers which are generated within the province. We don't have to rely on figures from Ottawa. So we can move ahead very confidently knowing that we have all the resources that we need to calculate that number in-house. It's as simple as that.

Mr. Taylor: — Now the other part of this, this 1 per cent of PST, is additional money over what traditional revenue sharing has been. There's a base value to revenue sharing. What has happened, what is happening in the future to the base value of revenue sharing given that now, as you indicated earlier, revenue sharing is now becoming operating grants, a transfer of funds? But there is a base number that municipalities have come to rely on, and it's increased by 10 per cent a year or 3 per cent a year or 12 per cent a year, depending on what the provincial budgets in the past have acknowledged.

So what is happening under this new formula to the . . . What would be considered the base value of revenue sharing?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. What we've delivered to municipalities is precisely what they've asked for. They have not asked for a base. What they want is a stake in the economy and the growth in the economy that they expect the province to enjoy. There is one, and then there is the other.

What happened before was the one — and that is that the government of the day decided on a specific amount to transfer into the revenue-sharing program. And it was a figure which was calculated on an ongoing basis which might differ dramatically year by year by year.

What they're looking for is something which is more stable and more predictable and certainly brings more money to the table. But one of the essential things that they asked for is, we want something that has the ability to grow with the economy of the province. And they all agreed that PST is a very reliable and appropriate indicator of that potential growth. That's what they've asked for, and that's precisely what the program delivers.

Mr. Taylor: — In recent years, what would be considered the base value of revenue sharing would have been 120 million, 130 million, 150 million. And so 1 percentage of PST is in this case, this year . . . or 90 per cent of 1 per cent is 167 million higher than the base previous. And going forward, 200 million is obviously higher than the current base.

What I'm gathering from your comments is, there is no base. There's no reference at all to what existed previously. The municipalities have simply recognized that 1 per cent of PST is higher than whatever the base has been in the past.

Hon. Mr. Hutchinson: — Yes, Mr. Chair, that's precisely the case. What municipalities have asked for . . . And this was made very explicit in the tables. We had simultaneous discussions with our representatives from the cities, towns and villages, rural municipalities, and northern communities. And

this is the consensus that was reached at those discussions — people in the municipal sector want to have a stake in the growing economy of the province of Saskatchewan. They're part of the reason that we're prospering, in fact a major part of it. No question about that at all.

So as producers of the economy, as producers of the increase in GDP [gross domestic product], they would like to see something in the way of a result that reflects that success. They've asked for that. They've received it, and they're comfortable with it.

Mr. Taylor: — Earlier today we talked about the distribution of the grant and the distribution based on the Stats Canada population numbers. When my colleague from Moose Jaw asked about the distribution based on population and the Stats Canada numbers, Minister, you indicated that, and I think I'm quoting you on this, there are options and some review of those options is under way presently. Could you explain further what this review consists of and what options you might be looking at in this review?

[16:00]

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. We need to clarify that . . . Two things. First of all, with respect to the purpose of it, it's not for grants that we're considering this. There are various municipalities around the province who have different sorts of needs, and in order to satisfy those needs for the delivery of their programs, the organization of elections, they're wondering whether it might not be possible to depart from strict interpretation of the rules, which might suggest that StatsCan figures are the only figures available. Could we use some other sorts of figures? In that particular case what we have said is, that's an interesting idea; we're more than willing to work with you to investigate what alternatives are available. And that's in fact what's going on right now.

Mr. Taylor: — So by and large then, there's not an overall review of population numbers for the purposes of grant distribution?

Hon. Mr. Hutchinson: — Not at this time, Mr. Chair.

Mr. Taylor: — So let me clarify again then what my colleague, the member from Moose Jaw, had brought forward. For 2010, municipalities will be getting their funding based on 2006 population numbers?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Whatever the most recent StatsCan census figures are available, that's what we'll be basing those particular grant programs on. And again as we said before, one of the main reasons is to try to be consistent with federal programs, which are also based on Stats Canada figures.

Mr. Taylor: — Minister, these federal census data numbers change. There's really the big census every 10 years, but there are data changes every five years for the purposes of our calculation. Is that correct?

Hon. Mr. Hutchinson: — We're asking our officials if they

have any further detail they can provide an answer to the member's question. Apparently they're updated every five years, as the member is thinking. He's correct in that assumption, and that would be the more recent figures that we would go with.

Mr. Taylor: — Okay. Even in times when the province wasn't growing as it is today, municipalities had expressed concern about the five-year lag. When you get to the end of the five-year period, the municipalities have, quite a number of them have felt shortchanged. And I give you a couple of examples. Kindersley, for example, grew to the point where it could be a city. Town of Meadow Lake grew to the point where it could become a city. But those numbers with StatsCan never caught up to them.

Now in a time of significant growth, that five-year lag could create some challenges for municipalities. So that was why I was intrigued earlier when the minister said there could be a review of options under way, because of course municipalities were quite interested in seeing a shorter time frame between updating the numbers, finding other options.

And I know that options are few and far between. They're hard to come by. Consistency year over year is very important. But municipalities, especially in a time of growth, are looking for some way of shortening these time frames. Do you have anything or are you considering any way of addressing those municipal questions?

Hon. Mr. Hutchinson: — Well the first indication of where we might want to go would perhaps be communicated to us by our colleagues in SUMA, the Saskatchewan Urban Municipalities Association. And so far, they've indicated that they are comfortable with this particular model. That might change over time and, if it does, if they would be interested in pursuing some other sort of a model, we would warmly welcome an opportunity to discuss that possibility with them. But as I said, at this point in time, the model which they are most comfortable with is the current model.

Mr. Taylor: — Thank you very much. I have two more questions, I think, and then I'll turn it back to my colleague from Moose Jaw.

You talk about the SUMA convention. A couple of years ago, the SUMA convention passed a resolution about four-year terms. The minister indicated to SUMA that there was no interest in the department in pursuing four-year terms. Has the minister rethought that position at all now that we're a year and a half away from that resolution having passed at SUMA? And can we be saying anything to municipalities today about the possibility of expanding the terms of a municipal leader to mirror that of a provincial elected official which, for all intents and purposes with fixed election dates, is now four years?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. I need to clarify one point, to state that we have indicated — either through the ministry or from my office personally — that we are not interested in pursuing the matter is not accurate. What we have said very clearly and on a number of occasions is simply that while SUMA has indicated an interest in pursuing this as a goal, others have expressed either objections to that

goal, or have said, you know what, we're not 100 per cent sure. We would like a little bit of time to think about it.

So what we decided to do was to broaden the consultation and make sure that folks who have an interest in expressing an opinion on this particular issue have more of an opportunity than would otherwise be the case. In due course, we will have sounded out public opinion in a bit more of a thorough fashion.

Once we've done a comprehensive sweep of the province, in order to make sure that we thoroughly understand, not just the variety of opinions, but the reasons for the variety of opinions — either for or against; or simply saying, we're not sure, we need more information — then we will be in a position perhaps to proceed. We're just not there yet, and we would like to give the people of Saskatchewan more opportunity to say what's on their mind with respect to this particular issue.

Mr. Taylor: — Just . . .

The Acting Chair (Mr. Chisholm): — Excuse me for a moment. I think I'd just like to bring to attention to the member that we are discussing the estimates, which if your line of questioning is in line with something other than the estimates, there will be another time and place for that.

Mr. Taylor: — I appreciate that, Mr. Chair. I know that I can make my questions comply with matters within the estimates. I'm just wondering how hard I have to try to do that because the minister seems to be interested in answering the question relating to his stakeholders. I will just ask one more question, and then I will, if the minister chooses not to answer, I'll accept that. And then I will turn it back to my colleague from Moose Jaw Wakamow.

The minister had indicated that, in his reply to members of SUMA who are looking for a change, and had that change been made, there obviously would have been some financial consideration required, and there would have had to have been some funds set aside in this budget year to accommodate a change in the local elections Act. That hasn't happened. The minister, in answer to my question, indicated that there were concerns expressed by some others. The municipal leaders said unanimously in convention, but the minister says some others were opposed to this. Who would those some others be?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Maryellen may have more detail than is available to me at this particular point in time, but we are aware that we received a number of comments. For example, we had, did we not have some website communication so that online comments were offered from a variety of organizations and individuals around the province. And the results were mixed. Some clearly think this is a good idea, and others are not as convinced, and some are convinced it is not a good idea. So we have the full range, from one end of the spectrum to the other.

With respect to dollars in the budget, I have not been made aware by municipal sector partners of where they might think extra dollars would be needed, but certainly we'd be interested in having that kind of discussion with them as we move forward on this issue.

Ms. Higgins: — Mr. Chair, I think my colleague from Athabasca is looking to answer some questions, or ask some questions. Yes, ask — not answer.

Mr. Belanger: — Thank you very much, Mr. Chair. I just thank the minister and welcome his officials here as well. Some of the questions I have in relation to the northern revenue sharing are basically all northern in nature, including the role of the municipal financing board, the northern revenue sharing trust account committee. And kind of an odd twist to my questions on this duty to consult, as it relates to the municipal structures in the North, because there's a bit of overlap that they perceived in northern Saskatchewan.

I'll point out that the northern municipal structure itself, being part of the municipal entity, so to speak — they play a uniquely different role as you would play in the southern community, as you may know. And so the northern municipalities, when you're the mayor or the councillors, you're actually almost like a president of a small, small country. The mayorship holds the high esteem in many of these communities, and there is much competition for those positions. So the mayors certainly perceive themselves, I think, and the municipal councillors of the North, as a separate entity that has a remarkable role to play. And really a mayorship in northern communities is one of elevated status.

So I just wanted to make that point because many of the mayors are listening in on the presentation because they have so many questions that they'd like to ask, and I hope I ask the right ones for them.

But in terms of the northern revenue-sharing pool, based on the budget, is it fair to say that the total increase from last year's budget is \$680,000? Is that the correct amount?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. There are two issues that I think the member raised in his question. The first of course is duty to consult. Experts with the ministry may want to add further detail on that particular one. I wanted to simply make clear that we, certainly as a government, take the duty to consult very seriously.

And it's not just the Ministry of First Nations and Métis Relations that is involved with this particular file, it's everybody. Because of course the issues relate to everybody's business, certainly with respect to municipal affairs. In the North, yes indeed, but also in the South as well. In fact, everywhere.

With respect to the actual dollar amounts in the agreement that we have in the budget this year, I'll defer to Maryellen for further detail.

Ms. Carlson: — In answer, the number is 680,000 increase.

Mr. Belanger: — The \$680,000 increase for the North, that is basically shared on a formula that involves . . . It's 44 communities or 43 municipalities in the North?

Ms. Carlson: — There is far less than that. If memory serves, it's somewhere in the neighbourhood of 24. But I stand to be corrected if I'm out, plus or minus, a couple.

Mr. Belanger: — Would you have copies . . . Of the 24 northern municipalities, what the increase meant to each one of them? Like for example, in my area, I wouldn't mind knowing what Buffalo Narrows received in the increase, what Beauval may receive in the increase because it's always good information to have. Would I be able to get that information?

Ms. Carlson: — Certainly.

Mr. Belanger: — The other question I have is in terms of the . . . I had this question posed to me. And I was a mayor at one time but then they scooted me off to provincial politics, so they found a better mayor. And that was probably a better way to do it than firing me.

But in terms of the municipal financing board itself, do the northern communities, can they actually go to the municipal financing board and borrow money from this board?

Ms. Carlson: — Just a point of clarification. Are you referring to the NRSTA [northern revenue sharing trust account] or the Saskatchewan Municipal Board?

Mr. Belanger: — Saskatchewan Municipal Board.

Ms. Carlson: — You don't borrow from the Saskatchewan Municipal Board, but the SMB does provide an oversight role on their borrowings, so can be advisory in nature to them like they are to any municipality in Saskatchewan.

[16:15]

Mr. Belanger: — So again I just want to clarify; I didn't really find that out. The municipal financing board, they actually have a lump sum of money that they can lend each year, is that correct?

Ms. Carlson: — No. The Saskatchewan Municipal Board does not have any money that they lend. They are a quasi-judicial body that plays a role in assessment, in planning, and in borrowing. The only body that plays a role in lending to municipalities is the Municipal Financing Corporation.

Mr. Belanger: — Okay. That's right; I've got the board and the corporation mixed up here. But on the Municipal Financing Corporation itself, they actually are able to actually lend money or approve loans that the municipality might go to a bank for. Is that the relationship?

Ms. Carlson: — Correct.

Mr. Belanger: — Suppose a northern community wanted to borrow some money. They would obviously go see the municipal financing board and ask them to help them arrange the financing. Suppose they needed money for some project, and after they give them the advice and they position them well, then they go see the Municipal Financing Corporation, that then works with them when it comes to the financing institutions out there. Is that the right process I'm describing?

Ms. Carlson: — When a municipality chooses to borrow some money, they would go to the SMB for approval of that amount, and then they make arrangements with whatever lending

institution they choose to deal with. If it's MFC [Municipal Financing Corporation of Saskatchewan], great. If it's a bank or credit union in their community, that's also available to them.

Mr. Belanger: — Okay, just to clarify again. The Municipal Financing Corporation does lend municipalities money. Is that correct?

Ms. Carlson: — Correct.

Mr. Belanger: — What amount of money do they have available to them, the Municipal Financing Corporation? Not the board — the corporation.

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. I'd be pleased to answer that question. There isn't a specific amount. In fact we just had the annual board meeting during which . . . What they do is they suggest the likely demand for borrowing, but there is no way of accurately forecasting it, because as the ADM has suggested, there's no requirement for communities to go strictly through this particular body to gain access to dollars. They can choose to finance this way if they wish. But, for example, if they have a credit union or a bank that they're very comfortable dealing with in town, they're most welcome to go elsewhere for funding.

What MFC actually does undertake to do is to provide an option. The community has available a couple different courses of action: they can choose to accept financing from this particular body or go elsewhere in the community if it's their wish. They have an either-or situation. They can go any way they want to go.

Mr. Belanger: — So is it safe to say then that the Municipal Financing Corporation — and I'm trying to figure out their role here — that their primary role is just to offer another avenue of financing. It's not the last resort source of financing. Is that correct?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. I think that's a very accurate assessment of the situation. They are available if called upon. That's part of their mandate, but it's not a requirement. They're facilitators. They're enablers. They are an option provider.

Mr. Belanger: — And I'm assuming that the rate of borrowing is fairly similar to that of the normal institution like the banks and credit unions and so on.

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. They endeavour to offer a competitive rate, but it may not be precisely the same as that available at credit unions and banks.

Mr. Belanger: — The other question I had is actually on the allocation. When I see the urban share go 30 million and the rural share go 2.5 million and the northern share being increased 680,000, when you spoke about the tables . . . And I kind of look at the perspective of a northern municipal entity where you don't have such things as natural gas, where you have transportation costs, where you have, you know, isolation from a number of service providers like . . . The costs of operating northern municipalities is much greater than that of our southern counterparts.

You throw in the isolation factors and so on and so forth, I just have a hard time trying to figure out why a table, as you described it, representing northern interests would accept such a — and I don't want to discredit the amount because every amount helps — but such a small amount in comparison to the urban and rural counterparts.

Ms. Carlson: — In answer to that question, a fundamental piece of the analysis that went on is that the amount was determined based on the need to conduct basic municipal business or provide basic municipal services, which is a departure from any previous way of allocating or determining the overall pool size.

And based on figures that were derived by a third party . . . A consultant, KPMG, was contracted to advise the ministry on the northern revenue-sharing pool as well as, and probably most importantly, the distribution of money within that pool. And you may know that the consultant met with the communities on two occasions, I think nearly all if not all, by now. And so it was on that basis that the pool size was determined.

I would also add that, over the years, the pool size in the North has not been reduced in those years when the urban and rural pools were reduced. And so in some ways their need was not as out of line, if you will, as some of the other pools were. So this has been a year of correction.

Mr. Belanger: — I had one comment of . . . One of the mayors approached me and said to me that one year we had an 8 per cent increase in the municipal share, and then we had another increase and now this increase. I can remember two increases, this increase and one made about a year ago. Can you describe to me what kind of increases that northern municipalities have had in the last, say, three years, or the number of increases we've had? Because the reason why I'm asking is, they're quite frankly confused. Did they get the 8 per cent increase that was promised from day one in addition to this one, or is this part of the overall increase? That's one of the questions they had.

Ms. Carlson: — If I might begin in this past year, there was a 15 per cent increase to revenue sharing in the North. Under the advisement of the northern revenue sharing trust account, knowing that their distribution formula was out of date, had not been amended for about 30 years approximately, the recommendation to the government was that we allocate 7 per cent of the 15 that was available, with the intent of holding the 8 to provide some dollars as the new revenue-sharing formula was introduced. So to cushion the impact for those communities who may find that their number decreased, after some time and looking at what the change would mean, the NRSTA board advised the government to allocate based on the old formula, the remaining 8 per cent, and so that was done.

They elected to use revenues within the NRSTA itself to cushion the impacts going forward, rather than to use that 8 per cent. So we can understand why it might be confusing to northern mayors to have received two instalments, but it was upon the advice of the NRSTA management board — not knowing what was going to come, and the impacts of what KPMG might do — that they made that decision.

Hon. Mr. Hutchinson: — And, Mr. Chair, one further

comment might help provide a bit of background for that. The 15 per cent comes out of promises made by the government on the way to negotiating a new permanent revenue-sharing agreement — municipal operating grant agreement — with municipalities.

What we undertook to do was to get the job done in two years, and in the meantime, provide two yearly lifts of 7 per cent each. The first yearly 7 per cent increase was done in the last budget. We found shortly after that unexpected revenues, coming chiefly from revenues from non-renewable resources, allowed us some extra flexibility, and so we provided a further 8 per cent — totalling 15. That's where this amount comes from. And it's the same for municipalities north and south.

Mr. Belanger: — So in recap, the northern municipalities, say I'm the mayor of Buffalo, I could anticipate in 2007 — correct me if I'm wrong — I get a 7 per cent increase in my municipal operating budget. The following year I get a 8 per cent increase.

Ms. Carlson: — Not entirely correct. What I attempted to explain is this last year, the year we're just ending, all northern municipalities got a 15 per cent increase, total — 15 per cent. It just came out in two instalments — one earlier in the year and one later. But they did receive a 15 per cent increase, in keeping with the lift that all municipalities in the province would have received.

Mr. Belanger: — And along with this \$680,000 increase — that was, again, that's a further increase to their operating funds, as proposed for this year.

Ms. Carlson: — In this year.

Mr. Belanger: — Okay. The other question I have in terms of the NRSTA. The NRSTA itself does not provide any municipal operating fund. That comes from the municipal operating grant. Is that correct?

Ms. Carlson: — In this year we're just ending and in previous years, the NRSTA has also topped up the municipal operating grant with some own source revenue. Going forward, all of the operating grant will come from the provincial government. And in the past, where a portion of the revenue sharing was conditional for matching dollars for water and sewer for municipalities, that conditional funding will come under the NRSTA, if that makes sense to you. We've kind of switched those around, so all of the operating grants come now from the province, and the capital that's necessary to augment a community's ability to get something done comes from the NRSTA.

Mr. Belanger: — There's a lot of questions we have on the NRSTA, and we're probably going to have to research that a bit more, so I don't want to spend too much time on that because there's more questions to the questions I have — does it make sense.

Just in terms of the increase, when you talk about 100 per cent of the 1 per cent of the PST, you're hoping to achieve that by next year. Is it going to northern municipalities anticipate an increase next year again when you achieve that 100 per cent? Is that a fair assessment to make?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair, for the question. Absolutely, they'll get the increases that everybody else gets. The other thing that I'd like to confirm is that the concept behind NRSTA, which is distinctly different than the solution adopted for the south, is it's a northern solution administered by northern people to meet northern needs. It's as simple as that. It's a custom-tailored solution to meet communities with different needs than exist elsewhere in the province.

Mr. Belanger: — The other question I would have is certainly we look at the Esterhazy revenue sharing scheme. It's much similar to that kind of arrangement. Is that correct?

Hon. Mr. Hutchinson: — Esterhazy? I'm going to need a little help on this one. Perhaps the member could . . . Are we talking . . .

Mr. Belanger: — It's a potash revenue sharing arrangement.

Hon. Mr. Hutchinson: — Oh, I see what you're saying. Okay.

Ms. Carlson: — There are significant differences between the two processes. I guess in some ways there's a similarity in that revenue comes into the fund and is distributed to a number of municipalities and so, too, in the potash tax sharing agreement. That would be similar.

Mr. Belanger: — That was my point. The other aspect I have in terms of the actual duty to consult . . . I know the minister may be pulled into this argument. It is, that particular notion of duty to consult and duty to accommodate is rife with problems in the North. And I think that in northern communities, the Métis, as represented by the Métis Nation and Métis locals, and the First Nations, as represented by many of the Indian bands out there, they assert that the municipalities don't have a role to play under duty to consult.

[16:30]

The municipalities rebut that they do, because they primarily provide services and they're seen as a northern entity. But the accusation back from the First Nations and Métis leaders is that, you're a provincial entity. So sooner or later that particular argument . . . That's why I brought up the duty to consult. I think government should look at the notion of forming strategic alliances between the northern municipalities and the First Nations and the Métis in the North because they're at odds.

When the minister made the comment that, you know, we'll work with everybody and everybody will be part of the solution, it's obviously a good thing to try and accommodate. However, there's some very, very strong emotions and feelings behind a municipality negotiating, for example, an impact benefit agreement. First Nations and Métis believe they have no role in that. Yet the municipal structure says, oh yes, we do. We live here. We're duly elected. We have these processes. And what that is creating is it's creating some friction between the three groups.

So the reason I'm giving the minister a heads-up is because eventually municipalities will want to assert their role under duty to consult. And yet the big question is, is it in their

mandate, being a creature of government, so to speak?

So I would certainly wish to hear the minister's position on the role of the municipality with all the dangers I've forewarned you about, in terms of what you see the municipalities playing in this ever-changing argument over duty to consult.

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Well it is indeed a very important issue. Our position would be the following: First Nations and the Métis Nation of Saskatchewan, as well as municipalities in the North, all have legitimate roles to play. They're all duly constituted in one way or another. And what we would certainly encourage is those kinds of strategic alliances between the representatives that you've mentioned, that the member actually is encouraging. We certainly see this as a way forward. There are IBAs [Impact and Benefits Agreement] and other issues that we need to address, and we think that that will be a successful model to pursue.

With respect to duty to consult in particular, we certainly encourage northern municipalities to consult on that basis with the Métis Nation of Saskatchewan and also First Nations in their areas. If they're looking for a little bit of assistance, some guidance, some help of some sort, we're more than happy to provide that assistance whenever it's possible to do so.

Mr. Belanger: — The reason why I'm bringing this forward . . . It's kind of an odd venue to bring it forward, but it does have a lot of municipal implications. And perhaps you may be encouraged to engage in that process from some of the northern leadership. The big argument that people out there are making is that the municipalities are trying to negotiate IBA agreements. The municipalities feel it's their responsibility to consult and accommodate. And as a minister, I'd think it'd be fair to say if you were to give them advice, the answer would be no, it's not the municipal role to consult and accommodate. It's clearly the Crown. In this instance it would be the provincial governments and the federal governments. Is that correct?

Ms. Carlson: — To provide an answer in the context of *The Planning and Development Act* — which is often the area where we find the duty to consult raises a number of issues — the province has delegated to municipalities decision-making authority in a number of areas. And as a consequence of that delegation, the municipalities are to conduct the consultation with First Nations and Métis.

As the approving authority, this is one of the things that our ministry always asks and verifies before a land use approval is made. Have you consulted? Tell us how you've consulted. If that consultation has not taken place, then the ministry will work with the municipality to ensure that it does. So it's a delegated responsibility that translates into their role.

Mr. Hutchinson: — There's one other comment that I'd like to add to the mix, if I could please, Mr. Chair, and that is I agree wholeheartedly with the member's assertion that strategic alliances between these three northern representatives are in fact fundamental to our success. They are the key to moving forward. We've seen a couple of interesting examples where northern municipalities, First Nations, and the Métis Nation of Saskatchewan have come together with companies to examine the possibilities and create very beneficial IBAs. That's the

right way to move forward, I believe. Fundamentally, that's the right solution for this kind of issue.

Mr. Belanger: — Okay, I just want to clarify because you've got to be careful in this, because municipalities are trying to assume that role in terms of, some of them are, others are not. They're deferring this duty to accommodate argument to the First Nations or the Métis within their community. When you say a duty to consult, that the municipalities have a role to play, is it within their own municipal boundary or within a set area of their municipality?

Ms. Carlson: — In answer to that, what we would say, if there is a First Nation or a Métis interest in the land in the general vicinity of where the municipality wants to execute a change, if that decision would affect treaty rights in some fashion, that they have an obligation to consult in the broader area. And so that's what we're actively encouraging them to do. So if you're expanding your municipal boundary or if you're changing the use of land that might in fact affect treaty rights in some fashion, we would say you should consult.

And it's important that we encourage municipalities to consult about those things that are a municipal responsibility. That's the framework that we provide to them. And of course land use is just one of those.

Hon. Mr. Hutchinson: — One further comment if I may, Mr. Chair. That's why *The Planning and Development Act* is a key consideration in this issue. It is under the authority granted to the municipalities by the Government of Saskatchewan, by the province, that they seek to alter their boundaries, to imagine the possibility of expansion of their municipality. That is where their interests may in fact overlap pre-existing interests of First Nations and Métis peoples who have rights under the Constitution of Canada. That's where the interests overlap and that's where the duty to consult arises, and that's why *The Planning and Development Act*, which guides and enables municipalities in their plans for the future, becomes very important indeed.

Mr. Belanger: — Yes and I guess, where communication is such a difficult thing to accomplish, and I think we understand what you are trying to say — when a municipality has a plan, their job is to consult with the First Nations or Métis that may be impacted, say, on a land use plan if they changed land use in their area.

But I'm talking about if an oil and gas company comes into the region and says, I want to drill for oil in a 100-square-mile area. I'm saying that it's not up to the municipality to go and negotiate, nor is it up to the municipality to consult with their people. The role is clearly the federal and provincial government's role. It's not the municipal role. It's nothing to do with their municipal boundary. It's got everything to do with the whole region.

And this is where, I think, there's some conflict between the First Nations, the Métis, and the northern municipalities because some northern municipalities assume it's their role to negotiate with the oil and gas companies setting up 20 miles out of their home community. And councillors are saying no, it is not the municipality's role to consult with the people if an oil

and gas company wants to set up 10 miles from us. And the Métis are saying, well it's our role. And you see there's a clash of who does what. So I just want to clarify that.

Ms. Carlson: — I would offer just a bit of a technical answer first. I think there are occasions when a development may impact a municipality in terms of the provision of housing, provision of core services that they need to budget, plan, and allocate for. And so often there are municipal impacts as a result of development, and you will see that in many northern communities who are using the SIGI program or other programs available to northern communities, in order to address the pressures that expansion and growth puts on them. And so I think there is often an opportunity for a municipality to dialogue with a company and determine what that relationship is as a service provider to growth.

Hon. Mr. Hutchinson: — Mr. Chair, this is in fact a very important discussion, there's no question about it, but in the interests of time and knowing that members in the committee will want to have an opportunity to ask all the questions that they might have about budget, I wonder if we shouldn't perhaps be confining our questions and answers a little bit more specifically to items in the budget.

The Acting Chair (Mr. Chisholm): — Thank you for that, Mr. Minister. I would ask, are you ready to continue asking questions that are specifically related to the estimates. In which case, we'll proceed.

Mr. Belanger: — Getting back to the budget, just in terms of a community itself, can a community expect to be penalized in any way, shape, and form. And what are the rules behind making sure that you have an annual audit done every year? Like suppose I was the mayor of a community in the North, and I didn't get my audit done for a year or two years. How does the department handle that? Because I think by law you have to get these audits done. You can't be in a deficit, I believe. You can't project a deficit. And there's all these different rules. Could you explain a bit of that to me, please.

Ms. Carlson: — In answer to your question, there are requirements under *The Northern Municipalities Act* to report annually on your financial statements and to have audited financial statements. That being said, we recognize capacity is a significant challenge in the North. It is difficult for communities to do two things. Firstly, to hire and retain certified administrators — and we acknowledge that, and there has been some programming put in place to help train them. Secondly, we also recognize that it is sometimes challenging to get accounting firms to come up and do the audit.

With that in mind, as part of the operational grant program that is being introduced in the North, there has been support for using some of the revenue-sharing dollars to make available to all municipalities some key people who will help them prepare financial statements — outside of the ministry, third party — that they can use to help get their reporting in line. And it is the ministry's hope that this resource will bring financial reporting up to a place similar to that which you'd see elsewhere in the province.

Mr. Belanger: — My final question, and then I'll turn it over to

my colleague from Cumberland. To make your financial report, I think the year runs from April to April. Is that correct? And if it's so, when does your . . . The rule itself, after you're done your March 31 year, how much time have you got between March 31 to when you absolutely have to have your financial report in, as a rule? I understand you have some flexibility issues. But what's the date in which you want that year's audited statement received by your office? Is it three months or six months or nine months?

[16:45]

Ms. Carlson: — Firstly, I'm advised that they have to report on a calendar basis.

And secondly, we would ask your permission to provide the actual date to you after the questions. I'm not exactly sure what the date is in *The Northern Municipalities Act*, so we'd have to look that up and get back to you. But we can do so.

Mr. Vermette: — There we go. Anyway thank you, Mr. Chair. And to the minister and his staff, thank you for providing us with the information that we're about to ask and some of my colleagues have asked, and the information that's been provided to us.

I've got a few areas I would like to just ask a few questions in light of what's been asked already. And I just want to make a comment, maybe the list you're going to provide to the member from Athabasca, if you would also provide me with those lists of increases that the municipalities are going to get in the North. I wouldn't mind a copy of that as well. It would be nice if I could.

You talked about different pots of money and the increase that the northern municipality received. And you talked about, I guess, a formula that was . . . And I want to be clear on this, so that I'm asking it, it was a process that was put in place, and you had a consultant firm — and I believe it was KPMG — who did the process. And what I got from it is, the municipalities in the North are comfortable with that process.

And I believe . . . And I don't want to put words out there that aren't correct, but I want to make it very clear. Were they comfortable with the process and the input that they got to put into it, whether it was online or whatever? What I'm hearing you saying, they are comfortable with the formula that was used to allocate their dollars.

Ms. Carlson: — KPMG, at the outset of the process, visited each community to solicit input on a methodology and received many, many ideas. They then presented a report to the northern round table describing the approach, the new redesign and, at that time, the response was very favourable.

Subsequent to that, KPMG and our ministry visited and invited all communities again to look at the specific implications for their municipality of this change. And for the most part, communities are pleased with the result, and if not pleased with the result in their specific community, recognize that the model that's being used best reflects the needs of the North. In fact we have some letters that we've received in the ministry supporting the new model.

There are some communities that will receive less, and so that is always a challenge.

Hon. Mr. Hutchinson: — One brief comment I can add to that, Mr. Chair, is that the results that have reached me indicate that the northern communities as a group thoroughly appreciated the significant efforts by KPMG to visit each and every one of the communities. They warmly applaud the amount of consultation that's gone into this thing. The process from their perspective has been very thorough and very effective.

Mr. Vermette: — You talk about these letters that support. Are those letters available to members or is that strictly for your guys's file only?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. I don't think in principle we have any objection whatsoever to sharing them. I think that because they're addressed to the Government of Saskatchewan, it might be appropriate to simply ask the municipalities if they agree. If they think yes, this is an opinion which can be made public, we could certainly provide those letters.

The Acting Chair (Mr. Chisholm): — Just a point of . . . There has been a number of questions asked that the ministry has agreed to provide further information, and also now on these letters. Should they be provided, just that they be provided through the Chair of the committee. Thank you.

Mr. Vermette: — Thank you, Mr. Chair. I guess you look at the infrastructure, and we know that there are troubling times, costs are going up, and the process, you know, whether it's booster shots of dollars or whatever you want to call new money for infrastructure, whether it's federal-provincial dollars, how do you see and do you guys see the process happening with northern affairs and I guess in the North, northern municipalities, how they will address their infrastructure needs?

You're saying there's different process, I believe, they can apply to dollars — programs that they actually can apply to get the extra dollars that they want and need. So you talk about the different, I guess, MFC . . . Where I'm going at is there is so many needs in the North, and I mean other municipalities we know that are feeling that, but with the dollars that are in this budget — and we talk about different questions that were asked — have you heard much as a department as to the northern municipalities, how they're dealing with the infrastructure and stuff that they're dealing with now? And will this budget and these dollars assist them and help them with dealing with some of their concerns that they have been dealing with for some time?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Perhaps we can address that in two parts. With respect to the Building Canada fund, Maryellen will be able to provide a bit more detail that will be helpful. I'm wondering if I can ask a question in order to clarify. When the member says northern affairs, are you wondering about the involvement of the federal government? Is that part of the question?

Mr. Vermette: — Well it's just the way I worded it, but I could have actually just struck right to northern municipalities.

Hon. Mr. Hutchinson: — If I understand the question, then it relates directly to programs that are administered by the Government of Saskatchewan in partnership with northern municipalities to address their infrastructure needs.

Mr. Vermette: — Well I guess my question did come out referring in two ways, so I'll just go with northern municipalities and the provincial government.

Ms. Carlson: — In answer to your question, the Building Canada fund, in the first intake, \$12 million was allocated specifically to water and sewer needs that were identified by northern communities and SaskWater as a top priority. And of course then the NRSTA provides a match to bring that total up to 18, with leaving only 10 per cent to be paid for by the municipality itself. These were prioritized. They were funded in the first intake.

And we know it's important to create an opportunity for northern communities to get their funding, and not necessarily in the same competitive pool as everyone else. So we've tried to ensure that they are successful and the most pressing concerns are addressed. In addition, through the NRSTA or other programs that the ministry had, of course, the municipal economic enhancement program was available to northern municipalities to fill out the one-page application form and then to use in whatever way they see fit.

There are a number of programs run out of the NRSTA itself, the northern capital grants program, the program that is specific to the North alone for lot development, enabling them to have unique access to a pool of \$6 million for lot development just in the North. And then of course we have a small sleeve of money, should they have some infrastructure failure in the North that we provide emergency support for. That is again, very unique to the North. So as well, the NRSTA has been working with my ministry to develop a . . . my colleagues in the ministry . . . a northern infrastructure strategy. Trying to get a better understanding of what all of the needs are in all municipalities and then begin to, with their understanding and co-operation, tackle investment over the long term.

Mr. Vermette: — I guess my last question, Mr. Chair, will be this. And I guess from what I've heard from you today, the rollout of the budget and how it will impact northern municipalities, and I guess as they go on and do their daily work that they have to do, and they look at what their budgets are and the way their . . . I guess if there are concerns or problems we'll say, I guess they'll bring those to the right, I guess, venues or the right officials or the minister, their MLAs [Member of the Legislative Assembly] to bring those concerns here.

So at this point, I would just like to say the budget is there. We have to wait to see how it will definitely impact northern municipalities. And I'm curious to see that because I've asked some of them that question. And I haven't got the response yet because they're still going through it all. But once that's all said and done, we have to look at it. If there's areas and ways, and I'm glad to hear that it almost sounds like there's a willingness to listen to some of the northern issues, and those municipalities that are dealing with some of those unique problems that they deal with, and I guess, isolated. And it's been said earlier, that

there still is an opportunity to bring forward to the minister and your department, concerns, should they arise. Anyway, I thank you for that.

Hon. Mr. Hutchinson: — Well, thank you to the member for his comment. And if I can treat it in the form of a question, I would like to offer the following response. We all agree that meeting the needs of North, whether it's infrastructure or operating, are absolutely critical to the success of our province. Just as we agree that those particular issues are extremely important in other areas of the province as well.

And we've gone to great lengths to build and maintain what we like to call our government-to-government relationship. We've met with SUMA and SARM [Saskatchewan Association of Rural Municipalities] and New North. We have the municipal round table which convenes on a regular basis, in order to make sure that we sample opinions from all over the province. Northern concerns, northern issues are very important to this particular government. And that's why we've done the infrastructure programming and the operating grant programming that we have and brought them forward in the budget.

With respect to can northern communities, if they have issues, bring them forward to the government. Absolutely. We encourage that. A considerable number of hours every day I would imagine are expended in answering questions from municipalities all over in terms of applications for programs, administration issues, in order to help build and maintain that capacity in the administration in planning that all communities need to succeed. Thank you, Mr. Chair.

The Acting Chair (Mr. Chisholm): — Ms. Higgins.

Ms. Higgins: — Thank you very much, Mr. Chair. Back to the budget, there's a couple lines — we have the statutory funding for SAMA, and also the supplementary funding for SAMA.

Is SAMA kind of up to speed? I know there were some — I'm trying to think of what they were — but I know there were some issues with concerns about going into a reassessment year if everything was . . . I don't know whether it was updates on the technical side or more staffing. But have they been able to get through this year and have the assessments all done and information forwarded out to the municipalities in a timely fashion?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair, for the question. In fact SAMA is well positioned. They're ready for this new assessment year.

There are a couple facts which we might read into the record that would clarify the financial position. Municipal Affairs provides \$6.7 million in annual funding in this next budget. Of this, 6.3 is statutory. The supplementary funding of \$330,000 represents the last year of the province's multi-year commitment to provide \$330,000 per year for the implementation of the rental income approach — which, of course, is the new part of the methodology for commercial properties being introduced in this assessment cycle.

Ms. Higgins: — Thank you. Also, is there any consideration

being given in the future to move to a system that would have a little quicker turnaround, whether it's setting different guidelines for SAMA . . . Because currently this brings us up to 2006. So we are quite a bit behind, right? Brings us up to 2006 values, this reassessment year in 2009?

[17:00]

Hon. Mr. Hutchinson: — Thank you, Mr. Chair, for the question. Perhaps I can provide a little bit of useful historical context.

An adoption of a different kind of methodology for assessment is something that has occurred earlier on in other provinces. And we had the luxury of looking to see what was going on elsewhere before adopting this in, I believe, 1995.

There have been several cycles through then all based on the four-year cycle, so we are always going to be a couple of years behind. The current base year, as the member will know, is 2006. So values as of June 2006 are going to be used for calculations this particular assessment cycle.

What the folks in the municipalities — they're dealing with this on an ongoing basis — have requested is that we get all of the new methodology, both residential and commercial, wrapped up and rolled out before thinking about the possibility of shortening up the cycle for assessment. That's exactly what's happening right now. The last major change that's anticipated in methodology is the adoption of the income-based approach for commercial properties. That's all part and parcel of the current reassessment cycle.

After that is, we know, that one of the topics of conversation that municipalities will want to engage SAMA in — we'll be partnering with that — is the possibility of shortening up the cycle. We are well aware that there are jurisdictions around the country who introduced a four-year cycle, and they're now wondering about the possibility of shortening up. There are certainly perceived advantages; certainly some perceived disadvantages, too. And they want to weigh those sorts of opinions, but they're going to bring that to the table. We warmly welcome that kind of conversation.

Ms. Higgins: — I just want to thank the minister and his officials for being here for questions this afternoon. And I'd like to wish them, have a nice evening, being you're off evenings this evening, right?

The Acting Chair (Mr. Chisholm): — The hour being 5 o'clock, this committee will adjourn consideration of the estimates for the Ministry of Municipal Affairs. And the committee will reconvene at 7 p.m., at which time we will consider estimates for the Ministry of Justice and the Attorney General.

I would like to thank the minister and all the committee members and the ministry staff for their attendance this afternoon. I think it was an interesting discussion. Thank you.

[The committee recessed for a period of time.]

[19:00]

General Revenue Fund Justice and Attorney General Vote 3

Subvote (JU01)

The Deputy Chair: — Thank you very much. We will call the committee back to order. And the first item of business is estimates this evening for the Ministry of Justice and Attorney General, and that is vote 30 which is found on pages 113-117 of the Saskatchewan Estimates book. And, Mr. Minister, could you please introduce your officials that are present, and if you have any opening remarks.

Hon. Mr. Morgan: — I will, Madam Chair, thank you for that. I am joined by a significant number of officials tonight. I am joined at this table by Doug Moen, deputy minister and deputy attorney general; and Lee Anne Shienbein, executive assistant to the deputy minister of Justice. At the side table, I have Dave Gullickson, senior policy analyst, policy planning, and evaluation; and Gord Sisson, executive director, corporate services.

In the long row across the back is Rod Crook, assistant deputy minister, regulatory services; Ken Acton, acting assistant deputy minister, courts and civil justice; Dave Wild, Chair, Saskatchewan Financial Services Commission; Susan Amrud, executive director, public law division; Daryl Rayner, executive director, public prosecutions; Ray Petrich, Crown counsel, civil law division; Jan Turner, executive director, community justice division; Lionel McNabb, director, family justice services; and Jeff Markewich, director of assurance and financial reporting.

I would like now to provide you with a brief overview of the Ministry of Justice and Attorney General's plan for 2009-2010 and the highlights of the ministry's budget. A key component of the Saskatchewan Party government's plan for the future is ensuring that residents feel safe and secure in their communities. The 2009-2010 plan for the Ministry of Justice and Attorney General provides a blueprint to ensure that Saskatchewan residents are protected from crime, that justice is upheld, and that basic legal rights are protected.

To ensure that Saskatchewan is a safe and secure place to live, the ministry is working to, firstly, reduce crime and improve confidence in the justice system; secondly, enhance infrastructure and improve efficiency in the criminal justice system; and finally, support people in vulnerable circumstances by providing necessary legal and personal assistance. Key strategies supporting government's other two goals include increasing protection of investors and consumers, negotiating provincial-federal agreements in the best interests of Saskatchewan people, and enhancing the efficiencies and effectiveness of the ministry through program overview and evaluation.

The budget supports Justice programs through an investment of almost \$164 million in the 2009-2010 year. This is an increase of \$25.4 million and is 18.3 per cent higher than the previous appropriation.

This budget provides a significant investment in courts' infrastructure for the justice system, with more than \$20 million

in capital funding. This includes \$13 million for continuing construction of the Meadow Lake court house, project is now in its second year; \$5 million for the first year of a renovation and expansion of the Saskatoon Queen's Bench Court House; \$1.8 million for security enhancements and renovations for court facilities in Regina and Swift Current; \$300,000 for the expansion of video conferencing; \$250,000 for enhancements to Provincial Court circuit points.

This budget will strengthen our response towards violent crime with the addition of three Crown prosecutors to work in conjunction with police services in Regina, Saskatoon, and Prince Albert. This addition will build on existing crime strategies and expand the targeted approach to suppress and reduce violent crime. As well we will increase the availability of court time to an investment of \$270,000 for an additional Provincial Court judge and a new deputy sheriff.

The budget invests \$214,000 to continue the enhanced fine collection process. Three dedicated staff will support the Canada Revenue Agency set-off program introduced in 2008-2009 and other enhanced collection activities to hold offenders accountable for their actions. Through the Victims' Fund, we will develop and implement a program to better assist victims of crime in collecting money owed by offenders under restitution orders. Victims will be able to voluntarily register their restitution orders and receive assistance from collection officers to effect collection of unpaid restitution through civil processes.

Community-based organizations receive an additional \$261,000. This is an additional 3 per cent increase to operating budgets to further support the valuable services provided by community-based organizations to the justice system.

To better coordinate support for victims of interpersonal violence, my ministry will become responsible for family violence programs and sexual assault centres and shelters. This transfer from the Ministry of Social Services will allow better integration with other programs that fall under the Ministry of Justice mandate.

The Saskatchewan Financial Services Commission will be established as a special operating agency and will enhance consumer protection through additional enforcement and compliance activities. The commission will expand its ability to ensure ongoing compliance with respect to mortgage brokers, pension plans, and payday lenders. The commission will add resources to help prevent fraud by educating consumers and to more effectively punish wrongdoers through enforcement proceedings.

A three-year project to replace the maintenance enforcement computer system receives an additional investment of \$1.5 million. The system is in critical need of replacement. It is essential to managing more than \$34 million in annual payments for custodial parents and children.

During this next fiscal year we will implement a new government-led seizure process under the new seizure of criminal property Act. This new Act will allow the seizure of property that is either an instrument of crime or the proceeds of crime to proactively target the proceeds of criminal activities.

We will begin an initiative to update the language of our laws to be easier to read and understand, easier to search electronically, and gender neutral. Funding of \$250,000 will allow the statute revision project to begin in 2009-2010.

Finally the Saskatchewan Legal Aid Commission receives an additional \$1.1 million to support its ongoing operations. This is an increase of 5.5 per cent over last year's budget.

We are pleased with our achievements so far; however there is still work to be done. We continue to work collaboratively with other ministries, other levels of government, policing services, the judiciary, community-based organizations, and the people of Saskatchewan to achieve our objectives of justice, fairness, and accountability. I look forward to answering your questions about our 2009-2010 plan and budget for the Ministry of Justice and Attorney General. Thank you.

The Deputy Chair: — Thank you very much, Mr. Minister. So we will begin with vote 3, subvote (JU01) central management and services. And before we go to questions, Mr. Minister, I would just ask or remind you that if anyone new comes to the table, could you please identify yourself before speaking.

Hon. Mr. Morgan: — I will do my best in that regard, and I will look to the officials to identify themselves as they come forward at the appropriate moment so that I have somebody to blame if they're not introduced.

The Deputy Chair: — I don't think that's a good statement to make on record, but anyway we'll carry on. Questions. Mr. Quennell.

Mr. Quennell: — I guess first of all a general question before I concern myself with the subvotes, the minister said there's an 18.3 per cent increase. Is that primarily related to the amount going into court capital?

Hon. Mr. Morgan: — There will be some costs going to the court capital, and there will be also the cost-of-living adjustments for the various aspects of the operations of the ministry. I'll have Gord Sisson answer the question more precisely.

Mr. Sisson: — Okay. Were you looking for a breakdown by different components or just the general statement?

Mr. Quennell: — I guess I can get a breakdown by different components. That might give me a good idea of where else the increases are besides courts capital.

Mr. Sisson: — I can do that for you. Salary, overall there's a \$4.181 million increase. That's for the existing staff, the cost-of-living increase. Operating costs would have gone up \$480,000. That's just inflationary impacts on the usual course of business.

Mr. Quennell: — Is it possible to get these in percentages as well?

Mr. Sisson: — I don't have the percentages here, but I can get that for you later.

Mr. Quennell: — Okay. We'll do it in numbers then.

Mr. Sisson: — Okay.

Mr. Quennell: — It's out of the \$25 million increase?

Mr. Sisson: — Yes.

Mr. Quennell: — Okay. I can do the rough math then.

Mr. Sisson: — Yes. So overall capital is increasing 21.685. That would include Meadow Lake, the projects that the minister previously talked about, as well maintenance enforcement system, 1.5 million and CJIMS [Criminal Justice Information Management System] project for \$400,000. And then as well there's the other items that the minister spoke about in his opening remarks.

Mr. Quennell: — So courts capital would be a significant part of the increase over last year's allocation and mostly inflation, some other capital on computers, but mostly inflation in other areas.

Mr. Sisson: — The capital would be the most significant component, yes.

Mr. Quennell: — All right. To go back to matters line by line, what makes up central services in the first subvote? That's finance information management services?

Mr. Sisson: — Yes. Central management and services would include executive management, includes the minister's office, and the deputy minister's office. Central services would include the corporate services branch, the information management branch, articling students, salaries are paid out of that subvote, and mail services for the ministry. That's what we pay to Government Services. And accommodation is paying for the various facilities we have throughout the province. Again those would be payments to Government Services.

Mr. Quennell: — Okay. So any payments to the ITO office, the Information Technology Office, would be out of central management services.

Mr. Sisson: — Yes. That would be included as part of the information management branch.

Mr. Quennell: — And do we know what that amount is this year or budgeted for this year?

Mr. Sisson: — For the information management branch, it's \$3.046 million. That would include payments to the ITO, as well as the five staff in the branch.

Mr. Quennell: — Did you say over \$3 million?

Mr. Sisson: — 3.046, correct.

Mr. Quennell: — So a fair chunk of essential services then is the information office.

Mr. Sisson: — Yes.

Mr. Quennell: — And accommodation services, what makes that up?

Mr. Sisson: — That is payments to Government Services for owned facilities, as well as leased facilities that the ministry has.

Mr. Quennell: — All right. So that's all to Saskatchewan Property Management for the most part.

Mr. Sisson: — Government Services, yes.

Mr. Quennell: — Government Services, change of terminology, I haven't caught up with it yet.

Moving on to courts and civil justice, I guess I have a policy question for the minister. It made the news a while back that the federal government was considering, if not imposing, a freeze on superior court judges' salaries given the economic times. Did the provincial government consider a similar freeze or adjustment given that I think this was the year in which the salaries were again adjusted?

Hon. Mr. Morgan: — The process earlier this year was followed, and the judges received an increase. The procedure under the statute was followed where a tribunal was set up and a recommendation was made and the recommendation was adopted.

Mr. Quennell: — I guess I could ask the question again about whether something different was considered. Both the federal government and the provincial government are acting under the same constitutional requirements, the same court decisions about how these things are to be done. And I appreciate the procedure that was followed this time has been the procedure that's been followed since the '90s. But the federal government has obviously considered taking a different approach and making the argument that the economic circumstances in the country require it. And I was wondering if that was even considered by the provincial government. I appreciate that, in the end if it was considered, decided to do business as usual.

Hon. Mr. Morgan: — The process was followed. The statutory provisions, federally and provincially, are somewhat different, although the overreaching requirement for judicial independence is the same in the case law — leading up to it is the same. The simple answer to your question is we felt this was an appropriate choice to make. The decision was made somewhat before the determination by the federal government, and we accepted the recommendation of the committee.

[19:15]

Mr. Quennell: — Okay. A slightly provocative topic, and I don't want to be more provocative about it than necessary. But this is the area under which marriage commissioners are dealt with, and both this government and the previous government were dealing with some controversy about marriage commissioners and what their duties were and whether they were going to follow their duties.

A particular marriage commissioner has probably two human rights tribunal decisions. One in respect to a matter that he

commenced himself against the Attorney General, which wasn't the current Attorney General, and then one that was commenced against him. And both of them, I believe, came to the conclusion, that given the law of Canada, that he could not discriminate against same-sex couples or opt out of the now federal legislation allowing same-sex couples the same marriage rights as opposite-sex couples have had previously, still continue to have.

And at some point I would think if a marriage commissioner's going to continue to perform marriages, he's going to have to accept that he complies with the law. I don't know if this particular marriage commissioner has changed his views, is now willing to accept these decisions and comply with the law of marriage or not. And if he hasn't, does his appointment continue with the Government of Saskatchewan to perform marriages?

Hon. Mr. Morgan: — There was actually three separate court applications. There was one brought by the marriage commissioner in Regina against the human rights tribunal trying to assert his . . . That application was dismissed at the Chief Commissioner level. There was an application by a same-sex couple against that same marriage commissioner. The human rights tribunal rendered a decision. That matter was appealed. The appeal has been heard by Madam Justice McMurtry. A decision has not yet been rendered on it.

Another application was started late last year by two other marriage commissioners in the city of Prince Albert, raising the similar issue to what was raised by the marriage commissioner in Regina. The Prince Albert file has been adjourned pending the resolution of the human rights matter.

So the matter is currently before the courts, so I'm not willing to comment on what I anticipate the outcome or what position the government might take, given that there's two current applications at the Queen's Bench level, and one that had been abandoned at the human rights level. So it's something we're going to watch and see as it goes through the courts.

Mr. Quennell: — Would it be fair to say then that the marriage commissioners involved continue with their appointments, and the government will make a decision when the appeals are exhausted or abandoned?

Hon. Mr. Morgan: — I think that would be a fair comment.

Mr. Quennell: — If it's acceptable to the Chair, I'd like to move on to marketplace regulation. Thank you.

Hon. Mr. Morgan: — We are now going to be joined by Rod Crook, assistant deputy minister, regulatory services.

Mr. Quennell: — There's a footnote next to Saskatchewan Financial Services Commission and a significant decrease in funding, but I take it that's because it's not being run out of Justice after a certain date. Can the minister explain what's going on there?

Hon. Mr. Morgan: — Yes, your statement is correct. It's because it's going to become a free-standing agency. But I'll let Mr. Crook give you the background. I'm also now joined by

Dave Wild, Chair of the Saskatchewan Financial Services Commission. I'm not sure which official wishes to answer the question.

Mr. Wild: — The special operating agency status is unique, and it provides an opportunity for the commission to gain a degree of operational independence, greater control over budgetary matters. The commission traditionally collected considerable amount of revenue from the regulated entities far in excess of what we've spent on regulatory resources. The Government of Saskatchewan is providing us with an opportunity to create a separate fund into which the revenues will flow and out of which our expenses will be paid. Revenues in excess of what is needed for operations will be paid to the Government of Saskatchewan in the form of a dividend, a return of excess earnings, if you like.

The intent is really to provide us with an opportunity to add resources to the commission. Saskatchewan Financial Services Commission regulates the financial marketplace in Saskatchewan, as you're aware, in the areas of securities and credit unions, insurance, trusts and loans, pensions. It's a very wide, very demanding mandate, and this will provide us with an opportunity to better protect Saskatchewan investors and consumers, and to promote confidence in the Saskatchewan marketplace.

Hon. Mr. Morgan: — If I can add just very briefly. The recommendation for this did not come from either myself or from Executive Council. It came from Saskatchewan Financial Services Commission. We received the recommendation from them and supported the recommendation, but it wasn't something that we developed the initiative for or sought their recommendation. It was something that had come from them, and we believed that there was some significant merit to accepting that recommendation.

Mr. Quennell: — Mr. Wild knows that I hold him in the greatest possible respect, so I'm sure he won't take offence by what is a policy question. And that is, that isn't the possibility that the Financial Services Commission raising its own revenue, so to speak, as opposed to receiving payments from the General Revenue Fund pose perhaps a conflict of interest?

Mr. Wild: — It certainly poses issues of accountability in governance that we have to pay attention to certainly, but there are a lot of layers of accountability placed on the special operating agency. We have to produce audited financial statements. Those statements will be audited of course by the Provincial Auditor. There still is a requirement for Treasury Board and cabinet to approve our budget. It's not brought forward as part of the appropriation consideration for the Ministry of Justice. But nevertheless we have to produce a budget, and it has to go through a process of review and approval or amendment, disapproval. There's a requirement for tabling of annual report in the legislature. And to note as well, overseeing this whole commission is not the management of the commission. In any situation like this, of course, it would be management that would stand to gain most from having greater control over revenues and expenditures.

In this case, with the Financial Services Commission, we have a seven-person body that oversees our commission. Those

persons, with the exception of myself — I'm a full-time employee — are part-time commissioners outside of government. These are people that have worked in the industry, worked in the business community, you know, served consumers. So they have very much the interests of Saskatchewan investors and business community at heart and will certainly hold staff to high levels of accountability in justifying any expenditures we do make.

Hon. Mr. Morgan: — I can add briefly that virtually almost every other jurisdiction in Canada uses a similar model to that, so we feel it was a coming of age for our province to want to use that model as well. So that's why we've been supportive. I appreciate the point that you're making that the same people that we're regulating are largely funding the Financial Services Commission. We're not troubled by that. There's significant government oversight. The legislation is there. And I think it's appropriate that industry and business should be the significant source of funding for the Financial Services Commission, as opposed to the public at large.

Mr. Quennell: — Before I forget this question then . . . Because there seems to be a contradiction between what Mr. Wall said and what the minister said. Mr. Wall started off by saying that this is going to be unique. And I was going to ask the question in any case: unique within the province or unique as compared across the country?

Mr. Wild: — It's the former. It's the first special operating agency that's been formed in Saskatchewan. It's not unique within regulatory circles. It's quite common that regulators are funded by those that we regulate. Most other large securities commissions are in fact Crown corporations. Manitoba has a special operating agency. The other regulators west of the Atlantic Provinces are all Crown corporations.

Mr. Quennell: — And then by next year at this time, you would anticipate that the only actual report to the legislature would be by report? You said, you know, that the budget has to be approved by Treasury Board, that an auditor audits the financial statements, and there'll be a report, annual report, at the legislature. But that would be the only accountability to the legislature at that point. Is that correct?

Mr. Wild: — That's correct.

Hon. Mr. Morgan: — I'm the minister responsible for the agency, so the accountability would be through my office, in addition to the report that would be filed.

Mr. Quennell: — Well this is a decision the government has made, but I think opposition MLAs are always sorry to see these line items disappear off into something else. I'm happy to see that the Minister of Enterprise and Innovation has not been successful in turning the ministry into a single-line agency yet, as he said he would have by now. And of course we'd lose the opportunity to have this conversation when we just receive a report. I appreciate the services, accountability of the minister, but I think we're losing a little bit of accountability to the legislature.

Hon. Mr. Morgan: — My officials indicated that the expectation for accountability would remain the same, even

though they're not a budget line item and would not receive an appropriation in the formal sense, that the officials would still be made available in the usual course. It certainly wasn't an intention to try and distance them from government insofar as being accountable to the legislature.

Mr. Quennell: — I appreciate that. Thank you for that answer.

I guess my only other question under marketplace regulation is in respect to, and the minister may have made some comment in his opening remarks that he'd made note of, but the increase in the consumer protection branch, which I'm sure is welcome, but still what is the cause of that?

Mr. Crook: — The increase in consumer protection branch is primarily on the salary line, \$100,000 with respect to a salary shortfall that has now been corrected, and then an additional \$28,000 for economic increases for in-scope and out-of-scope staff, and then a balance of \$3,000 in operating expenses.

[19:30]

Mr. Quennell: — I'm sorry, what's the salary shortfall?

Mr. Crook: — In the last fiscal year, we managed a couple of the positions . . . The director of the branch resigned and that position was vacant for a period of time, and we did have a \$100,000 reduction in our budget which has now been restored.

Mr. Quennell: — So it's because a senior person was absent. You managed without them. You've replaced them, and that's why the increase?

Mr. Crook: — That's correct.

Mr. Quennell: — Right. I'll move on to legal and policy services. Okay. I was most interested in the minister's comments about the three new Crown prosecutors. Are they going to specific communities?

Hon. Mr. Morgan: — Yes. Regina, Saskatoon, and Prince Albert.

Mr. Quennell: — The reference to targeted approaches, I was assuming when the comments were being made that those were the crime reduction strategies that we're become familiar with in Saskatchewan now around auto theft in Regina, break and enter in Saskatoon, violence reduction in Prince Albert. Are those the strategies to which these prosecutors are being attached?

Mr. Moen: — Those three positions are going to be complemented with some policing positions in Regina, Saskatoon, and Prince Albert so that we can focus on chronic violent offending. So in addition to what has, you know, occurred in Regina, there will be some work, specific targeted work on violent crime in Regina and similarly in other communities.

Mr. Quennell: — Does the commitment by Justice in respect to prosecutors and by Corrections, Public Safety and Policing in respect to policing remain the same for the crime strategies that I mentioned, for example?

Mr. Moen: — Yes it's the same. And, you know, you may be interested to know that in looking at the numbers, say, for the auto theft strategy in Regina, the numbers have never been lower than they are right now. They're still very good. The numbers are very good in Saskatoon. So those strategies continue in there, and they continue to have success.

Mr. Quennell: — Glad to hear that. And is this chronic violence strategy modelled on those strategies, or is it in some ways different? And in what ways different?

Mr. Moen: — It takes certainly a similar sort of approach, you know, the idea that we'd focus on particular offenders, a small number of particular offenders that are causing the greatest amount of difficulty. So in that sense, it's similar to the approach used in those other strategies.

Mr. Quennell: — So to a certain extent, it's the offenders that are chronic as well as the problem. At that sort of 80/20 idea, that 80 per cent of your problem comes from 20 per cent of your people?

Mr. Moen: — Yes, that's right. It's a similar sort of problem. It focuses on those individuals who are more inclined to be difficult, in terms of violent crime.

Mr. Quennell: — Say I don't get to estimates for Corrections, Public Safety and Policing, and someone knows, how many police officers are going to be attached to this strategy?

Mr. Moen: — Well they have about 30 police officers overall in their budget. And I think they're making some final decisions. As I understand it, the plan is four, four, and four for this part of the strategy; so four Regina, four Saskatoon, four Prince Albert.

Mr. Quennell: — And attached to this strategy in particular?

Mr. Moen: — Yes, attached to this strategy in particular. Yes.

Mr. Quennell: — Now I heard, but not officially, that the police officers won't be starting till September. Is that correct? And is that the case with the prosecutors as well, if that is correct?

Mr. Moen: — Well the prosecutors can start as soon as we're able to hire them. As you will know there's . . . The police side of it takes a bit of time because of training and what have you. I can't give you the precise date for when they would be in place, but it will not be immediately, for the usual reasons.

Mr. Quennell: — And again, I appreciate I'm not in estimates for that ministry, but when I looked at the numbers, it was 30 police officers at \$1.6 million which is half price. And what I was told was that's because they're not starting till halfway through the fiscal year. But that's not the case with the prosecutors. You'll be starting them as soon as you can get them?

Mr. Moen: — It's full-year funding. So we'll be in the process of hiring very shortly.

Mr. Quennell: — All right. I'm going to move onto

community justice. I wonder, Minister, is this where we should be covering the issue of the movement from Social Services to Justice of the interval houses, transition houses?

Hon. Mr. Morgan: — We're joined by Jan Turner, executive director community justice division.

Mr. Quennell: — The minister briefly outlined the reasoning, I think, behind the decision. And I expect that I can be easily persuaded that the decision to move sort of transition housing for assault and sexual assault victims from Social Services to Justice makes sense. So I don't want to suggest by any questions that I'm critical of the move necessarily. But I understand that this was a decision that maybe was made by Executive Council and cabinet and not necessarily asked for by the community. And I wonder if the minister can comment on the origin of the idea that this move be made.

Hon. Mr. Morgan: — The planning for this, the initial impetus for this was once again not an Executive Council decision. It came from the officials in the various ministries. We're certainly supportive of doing it because there's some significant benefits to having a better information flow or better coordination of the programming through the Ministry of Justice. But it wasn't driven at a ministerial or Executive Council level.

Mr. Quennell: — I appreciate the answer. Perhaps . . .

Hon. Mr. Morgan: — Having said that, I want to assure you that decisions that are, recommendations that are made by the ministers or by Executive Council are also very good decisions, and we would be highly supportive of them.

Mr. Quennell: — I wasn't suggesting that it would be a bad decision either way. But I did want to understand the process of how this came about. I think it came as somewhat of a surprise to people working in the area; particularly, volunteers on the boards didn't see this coming. That's not to necessarily mean it isn't the right decision, but we can always be a little bit more careful I think on advanced consultation on some of these things.

If perhaps the minister or the deputy minister or Ms. Turner could outline what are seen as the benefits of the move from Social Services to Justice.

Ms. Turner: — Thank you. I've had an opportunity now to meet with many of the agencies that'll be involved. We did convene a meeting last week that the majority of agencies attended and heard from them. For the most part, they're pleased to neutral with the move to Justice. Many of them already have a relationship with the ministry through the victim services program. So they understand our ministry. They understand how the programs can fit with the Justice mandate, and how we can collectively serve the needs of particularly women and children across the province.

I think one of the potential benefits is that we'll, in some parts of the province — and I'm thinking in this case of the North and some of the other more remote areas — it'll allow us to align services a little more closely and hopefully be able to address the needs that are evident there.

Mr. Quennell: — When I first heard about this, which is relatively recently as you can imagine, it occurred to me that the reasoning behind it might be — and this is one of the reasons I would think be supportive of it — is that the victim services that work out of police departments or RCMP [Royal Canadian Mounted Police] detachments or whatever are funded and work through the Ministry of Justice. And a lot of their work would be with the same people that are served by the transition houses, and that it would seem to make a lot of sense that the services be delivered under one roof. And is that part of the reasoning for the move?

Ms. Turner: — I think certainly there was a commonality of a client base, but having said that — and we'll make every attempt to make the service as efficient and seamless in local communities — it's important to remember that the programs and the clients served through the transition houses and sexual assault centres, they serve a very broad social need, a human service need, not exclusively a justice need. And we feel it's within our mandate to be able to meet that need as well at the Ministry of Justice.

There will be a stand-alone unit that will house these programs. And while they'll work very closely with victim services, I think it's important for clients who are seeking services from shelters and from sexual assault centres to know that they can come forward with a variety of their needs, and that those needs will be addressed and met to the best of our ability.

The relationship with Social Services does not end for the clients. There's certainly significant overlap with respect to income assistance, child protection matters, housing — many of the other things. So it remains a very collaborative effort on parts of addressing the needs of those particular victims.

Mr. Quennell: — I appreciate there might be some concern that some of the supports that were left behind in the Ministry of Social Services aren't going to be available any more, and that's something I assume that the Ministry of Justice is going to want to monitor and that we may want to return to next year. Thank you very much for that.

Hon. Mr. Morgan: — My understanding is there should be no services that were reduced, diminished, or . . . [inaudible] . . . There was a dollar-for-dollar transfer across between the two ministries, so the intention was that programming was to be kept intact, and it was better able to serve the clients through the various linkages that took place. So if there is an issue, we would certainly want to know about it at the earliest possible time so we could deal with it. There was certainly not any intention, nor do I believe there will be any changes in how service . . . the level of service delivery.

Mr. Quennell: — I have just some general questions about the Public Complaints Commission. I don't know who . . . Well within my memory as participant in government, we made a fairly significant change in the province of Saskatchewan from a sole complaints commissioner in respect to police to a broadly-based Public Complaints Commission with the only, I think the only legislated guarantee for minority representation on a complaints commission in the country.

And having had, you know, two or three years or maybe more

to test this out, I wonder if there's any comments about whether it's being used better. Is it being perceived better? Has it made any difference, particularly in the Aboriginal community, as far as people being willing to access the complaints commission?

Hon. Mr. Morgan: — A formal analysis has not yet been completed, but anecdotally it seems to be that there's good support from the Aboriginal community. Certainly the inquiries that we've made indicate that, in that regard, it seems to be working somewhat better than it had in the past, and there's a higher level of acceptance that the complaints are being given due process as they go through.

We've also had some discussions with some police chiefs and police officers. And the concern that they had before, the complaints were not dealt with in a timely way because it places a cloud over an officer's career while the complaint processes through, is that the timeline for the complaints to be processed appears to be coming down. And they feel that the complaints are being adequately dealt with. Our concern still remains with the timeline that's there. And we intend to have some discussions with Corrections, Public Safety and Policing as to how it's fitting for their ministry as well.

[19:45]

Mr. Quennell: — At the beginning of the commission, there was funding, probably under this line item, I would assume, to the special investigations unit of the FSIN [Federation of Saskatchewan Indian Nations]. Does that continue to be part of the spending on this line item?

Mr. Moen: — Yes, the funding for the special investigations unit continues. It continues at \$150,000. And in addition, there is some new funding that's been provided for the SIU [special investigations unit] by the Law Foundation. So there's additional resources over and above — for the SIU — over and above what has been there in the past.

Mr. Quennell: — Under the previous government, the Ministry of Justice, then the Department of Justice, was developing an anti-racism strategy, and I'm pretty sure it was in development. I've heard second-hand at best that that might be on hold. And I was wondering if that's the case.

Hon. Mr. Morgan: — I can advise that it's not been formally abandoned, but the project is not proceeding very rapidly. There's work being undertaken, but the work is not yet complete.

Mr. Quennell: — Does that mean it's been informally abandoned?

Hon. Mr. Morgan: — There's been no direction that it's to be abandoned. There's a large number of initiatives that we're undertaking and we're working with, and this will hopefully become one of them in time.

Mr. Quennell: — Well I appreciate government can't do everything at the same time. So is this just a case of priorities, that other things have taken precedence in the policy development area?

Hon. Mr. Morgan: — Yes, we're dealing with First Nations in the broader context. We're dealing with First Nations in the context of duty to consult and trying to develop a framework. And hopefully as that process goes on, anti-racism issues and a variety of other things will fall into place as part of it. It's sort of difficult to talk about a lot of other issues when the duty to consult is in effect the elephant in the room.

Mr. Quennell: — I'm not quite sure I understand that explanation, with respect, Minister, because the anti-racism strategy would be primarily, I would think — and I did think at the time when I was involved directly as minister — directed at the majority population and not directed at the minority population which is the victims of the racism.

Hon. Mr. Morgan: — Virtually every dealing that we now have with First Nations is subject to duty to consult and accommodation. So to develop a strategy or to do virtually anything, even though you're only dealing with individual victims or individuals that are involved in it, the issue comes up if you try and develop a plan or a program to assist those people, it's subject to the duty to consult. It affects everybody, so you can't do it unilaterally. It has to be done within the broader context of all of the First Nations dealing.

Mr. Quennell: — I think I understand what the minister is getting at. So the strategy itself would, in the government's view, require consultation and input from the Aboriginal community before it was implemented. Even though it would be directed at the majority community for their benefit, they would not want to see the government develop a policy without their input and consultation.

Hon. Mr. Morgan: — I think that's a fair statement, that we would not want to create a policy and impose it on First Nations without some significant degree of consultation and joint work with various First Nations leaders.

We're also at a time where we've got FSIN elections coming this fall. Most of the First Nations community is now preoccupied with those elections, and there appears not to be as much time as they might otherwise want to spend with those matters. And we expect that once the elections take place this fall, we're hoping that there'll be a renewed focus on dealing with duty to consult and a variety of other issues. I think it's fair that whenever you have an upcoming election, whether it's a province-wide election or an FSIN election, in the months preceding, people are occupied with the election rather than in the usual business.

Mr. Quennell: — Well elections do take time.

Hon. Mr. Morgan: — As we are both aware.

Mr. Quennell: — Yes. Briefly on the subject of the coroner's office, is the system up and fully operating? We have the chief coroner. We have two forensic pathologists working in the province.

Mr. Moen: — Well we're just sort of news hot off the press, but we have hired the second forensic pathologist.

Mr. Quennell: — So I was right in the way I phrased the

question.

Mr. Moen: — Just in the last few days we have been successful in hiring a forensic pathologist from Great Britain. So that'll be a person that's going to be in Regina. So the office is getting to the point where it's largely fully staffed.

Mr. Quennell: — You didn't surprise the minister there, did you? No.

Hon. Mr. Morgan: — I believe you did.

Mr. Quennell: — Well it's good news anyways. I'll drop down to boards and commissions.

Hon. Mr. Morgan: — We're joined again by Rod Crook.

Mr. Quennell: — I know that the minister had, as Justice critic and even as minister, concern about the timelines in respect to human rights complaints and how long it took to render decisions. How is that looking these days?

Mr. Crook: — I think with the appointment of the new Chief Commissioner, he is looking very closely at all of the issues around timelines. And so at this point, we don't have a definitive word from him as to whether he sees any opportunities to make changes that would improve those. At the present time, depending on the case, the average can differ, length of time. But at different stages of the case, generally when the complaint comes in, within 30 days, the complaint is dealt with as an intake matter and then moves to the second phase which is to determine whether there's a potential for mediation, and that phase generally takes approximately six months, again depending on the case.

Once they're passed that stage, there is a short backlog which I know the Chief Commissioner is working at which is approximately four months for the complaint to then move into the investigation stage. And at the investigation stage, there is approximately 10-month average in that stage. So the total from intake to a decision being written can be approximately 20 months.

Mr. Quennell: — I know we had this conversation last year. And are you in a position to advise if there's been any progress since last year in shortening these times up?

Mr. Crook: — I think there has been some modest improvement, but it has not been a dramatic turnaround. But again the Chief Commissioner is looking very closely at these and what is doable.

Mr. Quennell: — Certainly no significant fallback.

Mr. Crook: — No.

Mr. Quennell: — At least a modest improvement?

Hon. Mr. Morgan: — It's a modest improvement, but I don't have the year-to-year comparison. It's still not where we believe that it should be. I can advise that there are some 252 active files right now. The number of complaints that are waiting assignment to an investigator is now down to three. The average

wait time for an assignment is now approximately four months. But the average time for the complaint formalization to case conference decision of 20 months is I think probably in anybody's view too long a period of time. And as you're aware, we've appointed David Arnot as the new Chief Commissioner, and I would imagine this would be one of his priorities would be to try and reduce this.

Mr. Quennell: — Next on the Rentalsman, Provincial Mediation Board, I thought we cleaned that language up. I didn't think it was a Rentalsman any more.

Hon. Mr. Morgan: — You're asking whether it should be a rental person rather than a Rentalsman?

Mr. Quennell: — ... director of residential tenancies. I thought the term Rentalsman had been removed from the legislation and replaced with director of residential tenancies. It's no big issue, but I just thought the estimates would reflect the new language.

Mr. Crook: — Yes. It has been cleaned up in the legislation and the estimates format should be changed accordingly next year.

Mr. Quennell: — Legal Aid Commission, first of all, enquiries, what's that amount left over from the \$221,000.

Mr. Crook: — For the Human Rights Tribunal and board of review.

Mr. Quennell: — That's the 221,000?

Mr. Crook: — Yes.

Mr. Quennell: — Legal Aid Commission. Whenever I was at a ministers' conference, I always had three issues because we thought that's good for the press. Three's not too high. It's not too low. Two of them would usually change from year to year.

One of them was always 50/50 federal funding for Legal Aid. And as I think the minister knows, when I was minister, I made some trips to Ottawa specifically on that — or at least one trip to Ottawa — specifically on that issue to lobby on that issue and raised it whenever I met with the minister of Justice federally at any other time.

Has the province sort of abandoned that position, or is that still a position that the Saskatchewan government takes with the federal government that Legal Aid should be 50/50 funded?

Hon. Mr. Morgan: — At the time that I was at Legal Aid, it was very close to a 50/50 funding formula from the federal and provincial government. And since that time, the federal government has kept roughly the same dollar amount of funding.

But the cost of the program has gone from about \$7 million at that point in time to now just in excess of \$20 million, and the federal government has not significantly increased its portion of the funding at all. So now the vast majority of it is funded by the provincial government.

Your question was whether we have abandoned that position or that request from the federal government and we have not. Every time that I have met with the federal minister or attended a federal-provincial-territorial, it has been one of the major concerns that I've put forward and certainly continue to put forward.

Mr. Quennell: — A good choice for continuity. That won't surprise you that I think that.

Hon. Mr. Morgan: — I agree with the position that you had taken in it previously and intend to continue to support that.

[20:00]

Mr. Quennell: — The Automobile Injury Appeal Commission now has three full-time commissioners?

Mr. Moen: — Yes, that's right.

Mr. Quennell: — How can I phrase this in as non-provocative way as possible as well? It was felt by the previous government that we required two full-time commissioners to clean up a backlog. It was my impression that the backlog was being cleaned up because of that change. I wonder why the government felt a need to add a third full-time commissioner.

Hon. Mr. Morgan: — The consultation we've had with the two board members, the board Chairs that are there, indicate that they find it difficult to do hearings with commission members that are either part-time and also commission members that are not lawyers. They support the idea of having hearings done with two hearing officers. It's their belief that the hearing officers should include at least one lawyer and preferably a full-time lawyer to prevent backlog in the writing or rendering of decisions.

So the decision was made that we would add one additional full-time lawyer to the complement and perhaps over time, reduce the number of part-time members that were sitting writing decisions. But we would want to continue with the makeup of one lawyer and one non-lawyer.

Mr. Quennell: — One last question on courts capital before I wrap-up for the evening. I didn't hear — and maybe I missed it when the minister was going through the investments in capital — any amount set aside for work on the La Ronge Court House. And I believe that when we were in supplementary estimates, a site had been selected. And it surprised me that two courthouses that were at the same stage under the previous government and announced at about the same time — Meadow Lake and La Ronge — Meadow Lake is going to be under construction, and there wasn't any mention of capital for La Ronge in the estimates.

Hon. Mr. Morgan: — La Ronge is still in the early planning stage where we're doing work within the ministry. Our primary focus at this time is firstly to ensure that Meadow Lake is finished in a timely manner, and as you're likely aware, the contract has been let for overall construction. We expect that that will be completed in summer of 2010.

We've committed a significant portion of our remaining capital

resources to Saskatoon Court of Queen's Bench, and that would be the next priority after Meadow Lake, to ensure that we're able to have all of the planning and go ahead with the construction at Saskatoon Court of Queen's Bench.

Having said that, that doesn't diminish the need or the fact that La Ronge is certainly a major priority as well, but it's still in the sorting out whether the plans for Meadow Lake will transplant, will work well in La Ronge as well.

Mr. Quennell: — But other than internal work within the ministry, we can't expect anything in La Ronge for the coming year.

Hon. Mr. Morgan: — There's nothing at this point in time. Not to say that it may not come at some point, but no, at this point in time, our focus is on Meadow Lake and Saskatoon.

Mr. Quennell: — Those are all my questions for the evening.

The Deputy Chair: — Well as our time has expired to deal with estimates, I would like to thank the minister and officials for being here this evening. And we will take a bit of a break for the minister to change officials because my understanding is we're now going into dealing with Bills.

[The committee recessed for a period of time.]

Bill No. 52 — *The Trustee Act, 2008*

Clause 1

The Deputy Chair: — The next item before the committee is Bill No. 52, *The Trustee Act, 2008*. Mr. Minister, would you introduce your officials to the committee.

Hon. Mr. Morgan: — Madam Chair, if appropriate, I've had discussions with Mr. Quennell. We would like to, with leave, deal with both Bill 52 and 56 at the same time. The one is a consequential amendment Act to the other one, and I think it might be easier for all of us if the questions are dealt with in one grouping.

The Deputy Chair: — Mr. Minister, the way the evening has been set out, it would be easier I think to keep in order if we could do them separately. And while the questions may pertain to both Bills, which is appropriate, we will still need to vote them — just to make sure we are doing this correctly — we will vote them off separately if that's all right with you.

Hon. Mr. Morgan: — That was certainly my expectation was that it would be voted separately. And then the questions could pertain to both Bills at the same time, and if that works . . . I am joined tonight by Madeleine Robertson on my right, senior Crown counsel, legislative services branch, and on my left Maria Markatos, Crown counsel, legislative services branch.

I actually have two separate statements, so I would just do them back to back. The first one deals with the main Bill.

The Law Reform Commission of Saskatchewan in its 2002 report *Proposals for Reform of The Trustees Act* commented that: in Saskatchewan, trusts are created for a variety of

purposes, but most are testamentary trusts, included in wills to hold and invest property for benefit of family members. The trust is an indispensable tool for estate planning. Usually testamentary trust provide for infant beneficiaries and sometimes for a surviving spouse. A century ago, the trust served different purposes. In England, complex trust arrangements, "settlements of land," were designed to protect the wealth of the gentry, preventing heirs from using the property rather than keeping it in the family. This strongly influenced the development of trust law. In the last century, law has evolved to meet the changing purposes of the trust. But much of the adjustment of the law has been the work of the courts. The Saskatchewan *Trustees Act* still reflects its origin in nineteenth-century English trusts legislation.

This new Act adopts many of the principles developed by courts, such as the requirement for trustees to act in a fiduciary capacity and exercise a duty of care when carrying out their responsibilities and powers. Likewise the prohibition from having a conflict of interest is a court developed principle that is included in the new Act.

The new Act has been updated to reflect current trustee practices. It provides trustees with the necessary administrative powers to manage trust property on behalf of beneficiaries. Trustees will have the ability to carry on a business; improve, maintain, and repair trust property; purchase a dwelling for beneficiaries; and insure trust property.

The new Act provides for increased powers for beneficiaries of trusts. Beneficiaries will be able to apply to the court where they believe the trustee has failed to properly exercise his or her powers and duties. The beneficiary also has the right to require an accounting from the trustee.

There are circumstances where there is a need for the Public Guardian and Trustee to deal with the situation. Sometimes there is no one to deal with the matter involving a trust or sometimes persons without capacity may be affected. Provisions are included to allow the Public Guardian and Trustee to become involved in these situations.

The existing variations of trusts Act consists of one substantive section. That section is included in this new legislation and the previous Act is to be repealed. This Act abolishes the rules against perpetuities and the rules against accumulations. This responds to another Law Reform Commission report in 1987. That commission recommended abolition of these rules.

During consultation on the new trustee Act, lawyers in this province requested that the rules against perpetuities and accumulations be included as part of the reform of the trustee legislation. They review the rule as a possible trap for the unwary with no accompanying benefit.

Finally this new Act is organized by subject matter and written in a language that is accessible to the people that will be using it. Some of the provisions in the former Act were incomprehensible — even to lawyers — and were generally ignored. There are a number of consequential amendments since many provincial statutes adopt the principles of *The Trustee Act*, particularly with respect to investment rules.

The consequential amendments ensure that these statutes are changed to reflect the new Act. This new legislation will be easier to understand and more relevant for trustees, and for those who advise trustees and those who deal with trustees. The consequential legislation amends three bilingual statutes that adopt trustee Act principles. In each case, the amendment refers to the new Act instead of the existing Act or the relevant provisions of the new Act.

And, Madam Chair, I would be pleased to answer questions.

The Deputy Chair: — Thank you very much, Mr. Minister. We will now consider clause 1, short title. Are there any comments or questions to any clause of the Bill?

[20:15]

Mr. Quennell: — If I can just briefly ask a question about the rule against perpetuities. I made light of that in my speech, in the speech in the legislature in the Assembly, in the Chamber. Is the reasoning behind removing the rule that nobody was making trusts in respect to people not born yet in Saskatchewan because it seems to me now that if I wanted to, without the rule, leave all my property to my great, great, great grandchildren, there'd be no rule against that. That's what the rule against perpetuities was supposed to prevent.

Is it just because we don't need that rule? We don't have an aristocracy trying to save the estate from their children and their grandchildren and even their great grandchildren, and so it's not relevant because there was felt to be an evil or an abuse that needed to have a rule against it. Do we just feel that there no longer is, and therefore we don't need a rule?

Ms. Robertson: — Madeleine Robertson. I think that's effectively the case, and that's why the Law Reform Commission recommended repealing. In fact Manitoba repealed its rules against perpetuities 25 years ago, and there has been no law coming out of Manitoba since then. I think that is in fact the case.

Mr. Quennell: — So part of the process is just knocking off unneeded or perhaps unused pieces of the legislation and the two rules that are being removed. We could go crazy if we wanted to, but it's not likely that we're going to.

Ms. Robertson: — I think Saskatchewan is the last province, in Western Canada at least, to still have an accumulations Act. So that one certainly we would be not in the vanguard at all.

Hon. Mr. Morgan: — When the recommendations for the Bill came forward, I asked whether there had been consultation or discussion or, you know, whether it had ever been an issue. And I think in the 30 years that I practised law I only came across one document that made any reference to it. I don't know whether your experience was any different or not, but the idea that we would prohibit something simply because there was an arbitrary rule that had been in existence for literally hundreds of years just made no sense.

Mr. Quennell: — The only reference I made in the Chamber is about the only time I've ever come across it. I note that the legislation provides — and the minister referred to these in his

opening remarks — to a prohibition against conflict of interest. And the legislation also provides for purposes or reasons why trustees can be removed, and starting off with a very good reason — if the trustee has died — and listing a number of others, but not listing, I note, that the trustee is in a conflict of interest. And I wonder if that's an inadvertent omission. Or if it's deliberate, why is that the case?

Ms. Robertson: — It was not one of the criteria that was in the previous Act or was recommended by the Law Reform Commission. I think that if a trustee was in conflict of interest, the courts would look at it. And if it appeared that it amounted to a non-fitness to act under those criteria, they might be inclined to remove and replace the trustee. That in itself was not reason to remove the trustee.

It was recognized that in some cases a testator may want to allow trustees to be in conflict, and so that an instrument could provide for it. So it's wouldn't be an automatic reason for removal.

Mr. Quennell: — And the legislation has a revision specifically allowing the court-permitted trustee to act notwithstanding the conflict of interest. So the reasoning is that you wouldn't want to have a blanket disqualification if you're going to provide for that permission.

Hon. Mr. Morgan: — I could suggest that an example might be a situation where you have a number of children of a deceased parent, and one of them farming the property. And that person may be named as the trustee. And would we want this Act to act as an automatic disqualification of that person, knowing that the testator had made that as a conscious choice at the time that they prepared the will?

Mr. Quennell: — Is there any guidance to courts in respect to what is meant by unfit in the legislation?

Ms. Robertson: — Subsection 15 talks about incompetence: otherwise incapable to act as a trustee or perform the duties of a trustee, is otherwise unwilling or unable to act co-operatively with other trustees, or unreasonably refuses to act co-operatively with other trustees. It's not an objective test, more of a subjective test.

Mr. Quennell: — In subsection 5 of 15, refers to removing an unfit trustee, but that's not a term that's ever defined expressly.

Ms. Robertson: — It's not defined. It's a subjective based upon the circumstances.

Mr. Quennell: — I think that deals with all of my questions. And I'm resisting the temptation to ask the minister to quote either one of the rules that he's repealing.

Hon. Mr. Morgan: — I'd certainly be prepared to make my best efforts to do that. Usually it deals with the living heirs of King George VI, and as soon as you're able to name them, I'd be pleased to give my answer.

The Deputy Chair: — Any more questions or comments from any of the committee members? Seeing none, clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

The Deputy Chair: — Being this is a fairly lengthy Bill . . . maybe not that lengthy, but there's a fair number of clauses attached to it. I believe it goes to 71. If it would be approved by the committee that we will vote it off by part instead of by clause, is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Thank you.

[Clauses 2 to 71 inclusive agreed to.]

The Deputy Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Trustee Act, 2008* without amendment.

Could we have a member move the motion, please? Mr. Chisholm.

Mr. Chisholm: — I so move.

The Deputy Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — That's carried.

Bill No. 56 — *The Trustee Consequential Amendments Act, 2008/Loi de 2008 portant modifications corrélatives à la loi intitulée The Trustee Act, 2008*

The Deputy Chair: — The next item before the committee is Bill No. 56, *The Trustee Consequential Amendments Act, 2008*. Mr. Minister, would you please introduce your officials to the committee. Same?

Mr. Morgan: — I think it's the same, Madam Chair. I think we can just proceed to vote this one.

The Deputy Chair: — Okay, thank you. We will now consider clause 1, the short title.

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 5 inclusive agreed to.]

The Deputy Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 56, *The Trustee Consequential Amendments Act, 2008*.

Mr. Brkich: — I so move.

The Deputy Chair: — Mr. Brkich. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Mr. Brkich, you're a little bit ahead of me here. I would ask a member to move that we report Bill No. 56, *The Trustee Consequential Amendments Act, 2008* without amendment.

Mr. Brkich: — I report Bill 56.

The Deputy Chair: — And is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried. Thank you very much.

Bill No. 65 — *The Seizure of Criminal Property Act, 2008*

The Deputy Chair: — The next item before the committee is Bill No. 65, *The Seizure of Criminal Property Act, 2008*. Mr. Minister, would you please introduce your officials to the committee.

Hon. Mr. Morgan: — Thank you, Madam Chair. I am joined by Darcy McGovern on my right, senior Crown counsel, legislative services branch; and to his right, Dave Horn who is director of the safer communities and neighbourhood unit with Corrections, Public Safety and Policing. To my left is Gord Sisson, executive director, corporate services branch, Ministry of Justice.

Madam Chair, *The Seizure of Criminal Property Act* currently provides that where property is either the proceeds of unlawful activity or being actively used for an unlawful activity, that property would be subject to forfeiture by order of the court. Parties with an interest in that property would have an opportunity to be heard prior to liquidation.

[20:30]

Since coming into force on November 3, 2005, the current legislation has not been used by the chiefs of police as originally hoped. With the support of a provincially led process, the Act is intended to be used as a civil seizure process that will help prevent crime by removing the profit from crime.

The Seizure of Criminal Property Act, 2008 will firstly designate a director and an asset manager to ensure that the Act is efficient and effective as a tool against organized crime. It will also include search and seizure provisions for the purposes of retention and protection of property and the enforcement of this legislation. It will also dedicate the funds generated through the seizure and sale of property to cover the expenses of an application under this Act, with any surplus split between the Victims Fund and police operations for distribution under those processes.

It will also provide that applications for forfeiture under the Act be brought by the Crown rather than the chiefs of police and will finally provide for liquidation and forfeiture procedures for all seizures of criminal property to occur under this legislation by establishing a centralized process for the seizure and sale of property seized under this Act, property seized under the Criminal Code of Canada, or property seized under provincially administered legislation and other programs.

The new Act also includes a series of technical changes to implement improvements to the process for the seizure of criminal proceeds and property used to commit crimes. It is our intention that this new Act both improve the existing process for civil seizure and introduce a new, uniform, streamlined liquidation process for civil and criminal provincial proceeds of crime. Thank you, Madam Chair. We would be pleased to answer your questions.

Clause 1

The Deputy Chair: — Thank you, Mr. Minister. We will now consider clause 1, short title. Are there any comments or questions to any clause of the Bill?

Mr. Quennell: — I may hop around a little bit more than that, Madam Chair, if that's all right. I think I telegraphed one of my questions fairly strongly in the second reading debate, and the minister may want to outline some of the other differences between this Bill and the legislation that currently exists, that was brought in by the previous government.

But the previous legislation provided that police chiefs and commanders of RCMP detachments could make applications to the court for the seizure and sale of property and provided that the office of the Attorney General or the Ministry of Justice could do so as well, in their place.

So to the extent that this Bill allows for the Minister of Justice to be making these applications, that's not an addition. What we have in the Bill is a subtraction, and that is that chiefs of police cannot any longer, once this Bill becomes the law, make these applications. I appreciate that the courts weren't overwhelmed by applications from police chiefs, and the minister referred to that in his opening remarks. But I wonder as to the motivation for removing the possibility that this not be centralized within the ministry, but that there be some ability for local police chiefs and RCMP commanders on the ground to make these applications and not require them to be done by the Department of Justice, the Ministry of Justice.

Mr. McGovern: — Darcy McGovern, Madam Chair. The main reason for making the change with respect to the removal of the requirement that the chiefs of police be the lead agency in bringing forward the application was simply that there had only been one application since the coming into force of the legislation on November 3, 2005, and that similarly in Manitoba they were making the same change to remove the chiefs of police from bearing the burden of conducting the initial investigation, going through the process to make the civil application. And rather, the initiative that was sought was to say, well if the Crown led this process, we would be doing this on behalf of the chiefs of police.

We would be careful to still have a close partnership with chiefs of police in terms of having their input in terms of what might be an appropriate application, etc., but that rather than requiring their civil litigation team — for example the city solicitors — to bring the application, we would bring that application directly from the Crown. That was more consistent with how the more successful programs were doing it across Canada and was viewed as being an appropriate way of moving forward.

Mr. Quennell: — Well as the officials will be aware, the previous government was considering creating an office to do this within the department and just for the reasons that I think the minister has set out and officials set out — that police chiefs weren't doing something that was new on top of all the other work they have to do. And I'm not criticizing the decision to proceed with an office and a procedure within the ministry to be making these applications.

But it doesn't seem to have been necessary to remove that burden, as it was phrased, from police chiefs. They weren't being required to exercise it. They weren't required to be putting resources to it, but it would still have been an option for police chiefs. It would still be an option today but will no longer be an option when this becomes law, for police chiefs to be making these applications to the court if it's considered that the ministry is not being sufficiently proactive in this area.

Hon. Mr. Morgan: — Under the previous legislation, I think the expectation was that the chiefs of police would have the lead under the process. I don't think it's something the chiefs of police sought or wanted to have, and I don't know what the level of consultation was.

The effect of it was in the end that it wasn't being used by chiefs of police in either Saskatchewan or Manitoba. Manitoba made the decision that they wanted to shift and have the process being led by the Crown, and it's probably an appropriate way to have that happen, given that the Crown takes the lead on prosecutions. The prosecutions are brought in the name of the Crown. So I think it's probably a good resolution or a good place to have the lead within the ministry, within the ministry officials itself.

And it's not to say that a police chief couldn't come forward and advocate strongly that the Crown take the lead, but there's probably some benefit to having some consistency both with regard to when the applications are brought and also when they're not brought. So hopefully the effect of it is that by shifting the lead, we (a) have some consistency and (b) ensure that the number of the applications go up.

We appreciate that the original Bill was well intentioned and received a significant amount of community support, and we'd like to see that the Bill is used, and we would see this more in the nature of fine tuning than as a major change. We want to ensure that this particular aspect of it be utilized.

Mr. Quennell: — In my short time in government, I found that some local authorities would ask for responsibilities that they didn't necessarily actually want to use, and that may have been the case here. And we can agree to disagree. I think the government could have brought in legislation to make the ministry the lead without removing the local authority of police chiefs. But that's not what the government chose to do.

Is there any other significant changes to the legislation, other than this very significant change as to creating the office within the Ministry of Justice and taking the lead in respect to seizure applications? Is there any other major change that the minister would like to take this opportunity to highlight?

Mr. McGovern: — Thank you, Madam Chair. I think the two

changes that are infused throughout the Act are the changes with respect to the seizure of criminal proceeds processed under the civil side. And the change from having the chiefs of police make the application rather than having the Crown make the applications is one part of that. There's some other changes on that side that are important.

The second part of that is the creation of the fund under the Act as a stand-alone fund, and that's the Criminal Property Forfeiture Fund. And under that aspect of the legislation — that's parts IV and V of the Act — this is where the new process is created with respect to proceeds. Not just for the civil proceeds of crime, but also as the process by which under the Criminal Code, where there's seizures under the Criminal Code, where there's seizures under the vice program for example, this is the process by which all those types of seizures would be addressed so that the liquidation process is made uniform between those different types of procedures, as is the process in terms of the use of the fund, primarily being split between the Victims' Fund and the police operations expressly on a 50/50 basis.

So rather than going to the General Revenue Fund, which was the previous process, now those funds are captured not only under this Act, but also under the other types of seizure and brought forward under one process. So those are the two main areas of change. And I can provide a little more detail on either of those at the request of the Chair or the member.

Mr. Quennell: — The definition of criminal organization or criminal organization offence, these are drawn from the Criminal Code. These aren't changed from the previous legislation.

Mr. McGovern: — One of the main changes, not with respect to that particular criminal organization offence, I would draw the members' attention to the instrument of unlawful activity which is 2(i) and there's (i) and (ii) under that. If we look at the first, under instrument of unlawful activity provides now that an instrument of unlawful activity "has been used to engage in unlawful activity that, in turn, resulted in the acquisition or production of property or in serious bodily harm . . ." Previously that provision only provided that property that is "likely to be used," and that was viewed as a deterrent in terms of the process, that rather than finding property which had been used for illegal activity, they had to prove that there was a likelihood of that occurring. So that's a change that's being made in the definition of unlawful activity that we think is useful.

Proceeds of unlawful activity similarly, in the second part of that definition, would provide for the "increase in the value of the property, decrease in the debt obligation" as being another aspect of proceeds. So if you increase the value of the property, or decrease being another method of promising within a criminal context, that that would be the method of using proceeds of unlawful activity.

Major changes with respect to section 6 of the Act, and this is with respect to the interim orders. It was viewed as being very important that there be a search and seizure aspect to the Bill with respect to the investigatory powers with the concern having been raised by Dave's group and by the police that

there's often a gap between investigation, or even charging, and the actual ability to freeze the property so that it's not dissipated. And so those are changes within section 6 that are brought forward so that there can be search and seizure with respect to the property, investigation if property's perishable, or it needs to be managed to preserve its value. Those sorts of steps can be taken.

So those are some of the changes on the first half of my description in terms of what process changes are being made.

Mr. Quennell: — I assume the answer will be yes, but the ministry hasn't any concern about the constitutionality of any changes to the search and seizure provisions?

Mr. McGovern: — The search and seizure provision itself is relatively standard, so I think we're not concerned in that regard.

Mr. Quennell: — The reason I assumed the answer to be yes is you wouldn't put it here if you were going to tell me you had a concern about it.

Hon. Mr. Morgan: — That would be fair to say.

Mr. Quennell: — I wanted to remember to ask about the victims services fund; I guess it's not a victims services fund. I want to ask about the special fund for which . . . Did you say half went to victims services? I know that officials in Finance don't like special funds, so I commend the ministry and the minister on the existence of the fund. But I ask the question: since victims services fund is chronically underfunded, why the entire amount wouldn't go to victims services — why we would split it with police services, putting them in an appearance of conflict on this matter, even though they cannot make applications any longer. And there are organizations that are better funded by government than victims services are.

And that was obviously a policy decision there to make this split, whereas I think probably in some jurisdictions it would go in entirety to victims.

[20:45]

Hon. Mr. Morgan: — The simple answer is that the police will incur some significant costs in going through the process because the assets often have to be stored, costs of sale and whatever other operational costs that are there, and we feel it's worthwhile to ensure that the police not only recover their costs but there's a benefit to the police then as well. It was a policy decision to benefit both victims and the police services as well.

Mr. Quennell: — Clearly a policy decision. I would encourage the government to perhaps at some point rethink that policy decision, to look at how police services are funded compared to how victims services are funded. And going back . . . So I mean, it's not a criticism of the current government in any respect, but as the minister knows, over time — and there's a limited amount the government can do — the victim surcharges tend to drop off and other priorities or other interests tend to win out, for whatever reason, when those are being assessed. So that source of funding for victims services is volatile and sometimes on a downward trend. This seems to be an

appropriate place to receive funding for victims services.

Hon. Mr. Morgan: — The point is taken. We made a significant increase to the victim impact surcharges earlier last year, and those surcharges we anticipate will be imposed by the courts. As you're aware, the courts have the jurisdiction and the ability not to impose the surcharge but we anticipate that the courts will. My understanding is the courts in fact so far have been supportive, and we anticipate significant revenue, additional revenue, from the increases to the victims surcharge that's been on all the fines across the province.

Mr. Quennell: — Again I personally am supportive of the fund, and I guess half a loaf is better than none. Those are all my questions on the legislation.

The Deputy Chair: — Thank you very much. Are there any more questions or comments from any of the committee members? Seeing none, clause 1, short title, *The Seizure of Criminal Property Act, 2008*.

Some Hon. Members: — Agreed.

The Deputy Chair: — That's carried.

[Clause 1 agreed to.]

[Clauses 2 and 3 agreed to.]

Hon. Mr. Morgan: — Madam Chair, would it be appropriate to consider doing this by part?

The Deputy Chair: — We could. Okay, I'm in the middle now, so how about we will wait. We'll start on part III.

[Clauses 4 to 10 inclusive agreed to.]

The Deputy Chair: — Okay, if it's agreeable with the committee, we will do by parts the rest of the Bill.

Some Hon. Members: — Agreed.

The Deputy Chair: — Thank you.

[Clauses 11 to 43 inclusive agreed to.]

The Deputy Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 65, *The Seizure of Criminal Property Act, 2008*. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Agreed. It's carried. I would ask a member to move that Bill No. 65, *The Seizure of Criminal Property Act, 2008* be approved without amendment.

Mr. McMillan. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — It's carried. Thank you very much.

Bill No. 74 — The Miscellaneous Statutes (English) Amendment and Repeal Act, 2008

The Deputy Chair: — The next item before the committee is Bill No. 74, *The Miscellaneous Statutes (English) Amendment and Repeal Act, 2008*. Mr. Minister, would you please introduce your officials to the committee.

Hon. Mr. Morgan: — Yes, Madam Chair, thank you. I'm joined on my right by Catherine Benning, senior Crown counsel, legislative services branch, and on my left by Susan Amrud, executive director, public law division. And also we have with us tonight Abdul Jalil, director, agriculture research branch; Richard Murray, executive director, policy and planning, ITO; Earl Bourlon, forest standards analyst, Ministry of Environment; Jim Hall, superintendent of financial institutions with the Saskatchewan Financial Services Commission; and Alan Syhlonyk, executive director, policy branch, Ministry of Agriculture; and also have Hal Sanders, assistant deputy, Energy and Resources; Rick Peach, director, strategic policy development, Corrections, Public Safety and Policing; and Allan Laird, legislative analyst, policy and planning in the Ministry of Health.

I have a very brief opening statement. There are two Acts that we are considering tonight, Madam Chair, and I'm proposing that we deal with them, but with the questions . . . And then we vote them off separately. They are Bills 74 and 75. The purpose of these two Acts is to repeal obsolete statutes and provisions of statutes and to make minor amendments to other Acts.

Periodically the government reviews its legislation to ensure that only relevant legislation remains on the books. Such a review occurred in 2008 and a number of obsolete statutes and provisions were identified. As a result of that review, *The Agri-Food Innovation Act, The Community Cablecasters Act, The Forest Resources Management Act, 2003*, and the trust and loan amendment Act, 1996 are being repealed along with several obsolete provisions in other statutes. A number of minor errors were identified during the review and these are being corrected at this time.

We welcome your questions and if one of the Pages would like to come and get this, I'm sure that Hansard will want spellings of the names.

Clause 1

The Deputy Chair: — Thank you very much, Mr. Minister. We will now consider clause 1, short title. Are there any comments or questions to any clauses of the Bill?

Mr. Quennell: — Thank you, Madam Chair. Usually I try to remember to thank officials when they appear. And now I'm going to thank them and apologize to them because I don't think I have any questions. And all these fine people came out this evening to answer my questions and I don't think I do have any. As a matter of fact, I asked for about five minutes and I think the minister took almost five minutes to introduce everybody. And I know you're all here to explain the original purposes of the legislations being repealed and I thank you for coming very much, but I don't think I have any questions.

Mr. Morgan: — I'd like to thank the officials for coming out in spite of the fact that this appears to be a relatively minor piece of legislation. There is a significant amount of work in review, having gone through it, and I'm sure the member opposite would want to join us in thanking them, all of them, for their work in getting this together.

The Deputy Chair: — Thank you, Mr. Minister. Are there any other questions or comments from any of the committee members? Seeing none, clause 1, short title.

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried.

[Clause 1 agreed to.]

[Clause 2 to 18 inclusive agreed to.]

The Deputy Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 74, *The Miscellaneous Statutes (English) Amendment and Repeal Act, 2008*. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — It's carried. I would ask a member to move that Bill No. 74, the miscellaneous statutes amendment and repeal Act, 2008 be reported without amendment.

Ms. Ross: — I so move.

The Deputy Chair: — Ms. Ross moves. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Carried.

Bill No. 75 — *The Miscellaneous Statutes (Bilingual) Amendment and Repeal Act, 2008/Loi corrective (lois bilingues) de 2008*

The Deputy Chair: — Mr. Minister, well I would ask the floor if there are any questions pertaining to the consideration of Bill No. 75, *The Miscellaneous Statutes (Bilingual) Amendment and Repeal Act, 2008*. No questions? Thank you very much. Seeing none, clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

[Clauses 1 to 7 inclusive agreed to.]

The Deputy Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 75, *The Miscellaneous Statutes (Bilingual) Amendment and Repeal Act, 2008*. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — I would ask a member to move the Bill No. 75, *The Miscellaneous Statutes (Bilingual) Amendment and Repeal Act, 2008* without amendment.

Mr. Bradshaw moves. Is that agreed?

Some Hon. Members: — Agreed.

[21:00]

The Deputy Chair: — I think that's it. Mr. Minister, thank you very much for being here this evening with officials. We appreciate the time and effort put in to attend to the committee and be available for questions.

Hon. Mr. Morgan: — Thank you, Madam Chair.

An Hon. Member: — Madam Chair, should we have a short break?

The Deputy Chair: — Yes. If the committee wants to have a quick break while we wait for the minister to arrive for estimates which . . . Tourism, which I don't think is until 9:30. So yes, we could have even 15 minutes.

[The committee recessed for a period of time.]

**General Revenue Fund
Tourism, Parks, Culture and Sport
Vote 27**

Subvote (TC01)

The Deputy Chair: — We'll call the committee back to order. And the first item of business this evening or the next item of business is estimates for the Ministry of Tourism, Parks, Culture and Sport which are found on page 137 to 142 in the Saskatchewan Estimates book.

Madam Minister, will you please introduce your officials present this evening.

Hon. Ms. Tell: — Thank you, Madam Chair. I'm pleased to answer your questions regarding the estimates for my ministry. But first off, before I introduce the officials that are here with me tonight, I'd like to mention the fact that the parks officials are away tonight at an annual meeting. And parks officials will make themselves available for next Monday. We will try the best we can to answer any questions relating to parks, but we may be in a position where we're going to have to defer to next week if that's okay.

I'd like to offer a few remarks, but I'd like to start off by introducing the officials: Van Isman, deputy minister, sitting beside me; Scott Langen, assistant deputy minister; Susan Hetu, she's in behind, executive director of culture and heritage; Ken Dueck, who's sitting beside Mr. Langen, executive director of tourism initiatives; Michael Roth, assistant manager of corporate services. And in behind us here, sitting very quietly and patiently is Twyla MacDougall, president and CEO [chief executive officer] of SCN [Saskatchewan Communication Network]; and Lenora Toth, Acting Provincial Archivist. And I want to thank you all for being here at this time of the evening. Thank you.

I would like to take this opportunity to briefly outline some of the budget highlights for Tourism, Parks, Culture and Sport in

2009-2010. Our mission is to actively build a high quality of life for Saskatchewan as a province of choice with diverse and vibrant communities, parks, cultures, and sectors that build pride and prosperity.

In the coming year, we will continue our emphasis on our provincial parks, our arts community, our shared heritage and culture, the potential for tourism, and our engagement in sport and recreational opportunities.

Tourism plays a vital role in both the economic development and promotion, and the pride in our province. We are continuing to meet our commitment of doubling tourism spending to maintain our province's profile as an attractive destination. Our ministry will continue its work on improved highway signage for tourism attractions; support for event hosting; capital assistance for ecological, paleontological, museum, and heritage facilities. I will note that in 2009-2010, Tourism Saskatchewan is receiving a 2.5 per cent increase in follow-up to the 40 per cent increase that Tourism Saskatchewan received last year.

[21:15]

The Olympics. Our participation at the 2010 Olympic and Paralympic Winter Games in Vancouver is a once-in-a-lifetime opportunity to showcase Saskatchewan's distinctive quality of life to the world. In '09-10 we are allocating a further 1.85 million to provide support for a Saskatchewan pavilion which will profile the province's business and tourism opportunities and provide the setting for our participation in the cultural Olympiad.

Our parks are being increased in funding by 5.2 million. Funding includes providing another 2 to 300 campsites with electrification upgrades and other improvements across the parks system. Our funding to the regional parks has increased by 415,000 to just over 1 million in total to assist them in offering a wide range of outdoor recreational services. All urban parks are receiving 4 per cent funding increases: Wascana Centre Authority, Meewasin Valley Authority, and Wakamow Valley Authority.

The active families benefit, which we talked about at length I think in the last budget — of course the total amount of that funding is 18 million — is being provided in 2009-2010 for the cost of this particular benefit. The ministry consulted with its global organizations involved in culture, sport, and recreation to develop the guidelines that defined what cultural, recreational, and sporting opportunities and activities would be available under the active families benefit.

Arts, culture, and heritage. We are making a \$932,000 increase in arts, culture, and heritage funding. Of course the core organizations including the Saskatchewan Arts Board, Saskatchewan Film and Video Development Corporation, and the Conexus Arts Centre are receiving a 4 per cent increase. We will continue to make progress on the arts, culture, and heritage sector development plan to improve the economic growth and enhance quality of life and build pride in Saskatchewan. This plan will serve us greatly in informing our future funding decisions for the sector.

The Community Initiatives Fund — vibrant communities, destinations that attract businesses and retain skilled and creative workforce — an increase in Saskatchewan Gaming Corporation profits will enable a \$1.1 million increase in the Community Initiatives Fund that will of course flow back to the communities.

These are some of the priorities for my ministry this year that are aimed at enhancing quality of life, creating pride, and making Saskatchewan a very attractive place to live, work, play, and do business.

That concludes my opening remarks, Madam Chair. My officials and I invite any questions the committee members may have. Thank you.

The Deputy Chair: — Thank you very much, Madam Minister. So we're dealing with vote no. 27, subvote (TC01), central management and services. Are there any questions? Mr. Nilson.

Mr. Nilson: — Thank you. It's good to have you here this evening, and I will try to tailor my questions so that we can deal with the specific parks questions next week. But there are places and times where there will be some things that go across a few different areas.

Quite curious just before we get into the specific vote on central management services there, to look at the summary page which is the page before. And I notice from looking at this that the real big item of change this year is \$18 million for the active families benefit.

And there'd be some debate whether that's actually an amount that should be here or it should be in taxation department because it's really not money that you get to use in this particular department. And if in fact you remove the \$18 million chunk, then your estimate for this year is about 16 million than what you spent last year. And so I guess I'm wondering what is it that you've cut back on, if anything, or how do you explain that. Because my understanding is that this 18 million doesn't even flow through your department, other than on the books.

Mr. Isman: — Thank you for the question. The principal difference here, in terms of where the other piece has been changed, is the difference in the allocation under the building communities program. That would be under subvote (TC11). You can see it towards the bottom of page 139, and that's the sunseting of the building communities program that took place during the current fiscal year which is about to end tomorrow. We still have money that has yet to be paid out because the designated recipients have yet to ask for those proceeds. And accordingly that's why there remains \$16.493 million on the books. But the significant difference that you had alluded to is the difference, what you see between '08-09 and '09-10 under the building communities program.

Mr. Nilson: — So this, as of today the amount not paid out under that program is sixteen and a half million dollars?

Mr. Isman: — Actually that's not entirely correct. There's also approximately \$7 million that we are anticipating that will be

paid out in '10-11. What we have done is we have scheduled these according to when we see the anticipated cash outflowing on these projects. A number of the projects have yet to have commenced construction. And accordingly we'll be following the stipulated schedule of payouts in terms of how things have progressed on the different projects.

Mr. Nilson: — Does that include the money for Moose Jaw?

Mr. Isman: — It certainly does.

Mr. Nilson: — Which other places?

Mr. Langen: — I have a high-level list of the projects that the sixteen and a half million dollars is related to: North Battleford, Weyburn, the Regina IPSCO Place, Meewasin, Warman, Moose Jaw, and Waneskewin. Those are your, I guess, your more high-level projects going forward.

Mr. Nilson: — So this money will . . . So effectively what we see here is the estimate of how much will flow out in this year. And it's actual money that's in the General Revenue Fund to be expended as it's required.

So then my initial premise about there being in fact a reduction in the amount in the departmental expenses is accurate, but it's also affected by the building communities fund, would that be correct?

Mr. Isman: — Yes, it would.

Mr. Nilson: — Then let's go and look at some of the areas. When it comes to tourism, has there been any increase in the budget for tourism?

Mr. Isman: — \$338,000. You can see this in the Estimates on page 138, a difference between 16.016 million and 16.354 million.

Mr. Nilson: — And so that's basically a flatline budget in the sense that expenses have gone up that amount, so there's really no increase there. Now I know there was an increase of 3.5 million in last year's budget and that continues, but are there initiatives that were requested or anticipated to be funded that aren't included, and have they had to step back on a number of the big proposals that they were going forward with?

Mr. Isman: — May I get some clarification? When you said they, were you making specific reference to Tourism Saskatchewan or . . .

Mr. Nilson: — The biggest part of your money goes to Tourism Saskatchewan, but in actual, there's also money obviously that goes through your department. And that amount has been reduced by, it looks like about \$275,000 or thereabouts — \$325,000 — and then some of the support has been increased, so it's about the same there as well. But my question is, as a department this budget seems to show basically no improvement.

Mr. Isman: — I'd like to refer you to the estimates again. There was a slight difference, in terms of funding that was in 2008-09 allocated under tourism initiatives, that was actually in

'09-10 moved into the tourism operations support. So you can see a decrease on one line item, and you can see an increase on the other. So I would like to point that out to you.

Mr. Nilson: — So that shows an increase of \$50,000?

Mr. Isman: — I believe that's correct. And there was an increase of . . . You can also see the increase of just under \$300,000 that has gone to Tourism Saskatchewan which represented a 2.5 per cent increase from '08-09 to '09-10, from 11.516 million to 11.804 million.

Mr. Nilson: — So basically, things are pretty level. There's not any big increase in this area at all?

Mr. Isman: — No. To Tourism Saskatchewan was \$288,000 in terms of the increase that is flowing to them in the next fiscal year.

Mr. Nilson: — Is the money for the Olympic support in this area or is it somewhere else?

Mr. Isman: — Yes. It's included under the tourism initiatives.

Mr. Nilson: — So how much of the \$4.05 million goes to the Olympic initiative?

Mr. Isman: — \$1.85 million.

Mr. Nilson: — I understand there's some other monies going to that initiative as well so that they total up to close to \$3 million. So where does that money come from?

Mr. Isman: — Are you making reference to in '09-10?

Mr. Nilson: — I'm just talking about the announcements I think I've heard around the Olympics.

Mr. Isman: — There have been several announcements in terms of funding that has flowed into the allocation in 2008-09. In terms of any of the budgeted allocation for '09-10, it is contained under the tourism initiatives there.

[21:30]

Mr. Nilson: — So there has been some forward payment, so payment by tomorrow, for expenses a year from now in the supplementary estimates that we had just recently . . . which is, as a member of the audit committee or the Public Accounts Committee, something we don't like to see. Just tell you that straight up, because the auditor will make a comment about this. But anyway, so that's how we get up to the . . . So it's effectively this amount in this budget plus the extra money that you paid forward in the last three or . . . well six weeks then.

Mr. Isman: — I would like to point out that some of the funding that has been paid in '08-09 relates to projects that were money needed to be spent in terms of securing a site for a pavilion and expenses that needed to be dealt with during the present time, during the current fiscal year.

Mr. Nilson: — So where is that pavilion? Because the money's already gone forward.

Mr. Isman: — The pavilion has not been created yet, but in terms of securing the site. And we will be working with Sask Sport on this. They will be, Sask Sport will be managing the pavilion project and so a lot of the money has flowed to Sask Sport for that purpose.

Mr. Nilson: — So the money is now sitting at Sask Sport, and the further \$1.85 million that's here will flow to Sask Sport as well for the Olympic initiative?

Mr. Isman: — I believe at least 1.2 million of it will. Some of the other monies that will be in '09-10 in terms of some of the expenditures, we are budgeting in terms of a number of initiatives that will be run through the ministry and will relate to some of the things such as the torch relay which is not something being administered by Sask Sport.

Mr. Nilson: — That includes the torch relay expenses in Saskatchewan?

Mr. Isman: — Correct.

Mr. Nilson: — How much is that estimate?

Mr. Isman: — At this point in time we have already, we have already incurred an expense in that regard for the current year because some of the planning has already moved forward on it. But we are anticipating that it will probably be in the area of, I believe, another \$250,000.

Mr. Nilson: — 250,000 in this year, plus what you've already spent.

Mr. Isman: — Correct.

Mr. Nilson: — Are there any specific amounts in this budget directly related to sports tourism? And I guess I'm thinking about Hockey Canada events, and then probably the ones that actually generate more money for the province are all of the amateur sport, at sort of a 12- to 25-year age range where we end up having regional or national tournaments. Is there money allocated for that specifically in this budget?

Mr. Isman: — Thank you for your question. There were a number of expenses that were incurred during the current fiscal year, the '08-09 fiscal year, that will pertain to sports tourism events that will take place in the '09-10 fiscal year. Perhaps the largest is the, as I believe you'd be aware, the World Junior Hockey Championships which will be taking place in Saskatoon and in Regina in late December '09 and early January 2010.

We have not committed resources from the '09-10 budget for any specific events. We have, however, focused in on the development of a event hosting framework, and it's within the context of that specific framework that we will be evaluating any potential requests for sport tourism types of events in the new fiscal year.

Mr. Nilson: — And is this term, event hosting framework, is that a person or a committee or a computer or what is it?

Mr. Isman: — Well I think I would call it a process as opposed

to a person and a set of criteria. And Mr. Dueck has been doing some consultations on this matter and through the process we've found that there are a number of different specific outcomes that we're looking for in terms of these types of events. And our objective of course, as you would expect, is to develop a framework that is transparent in terms of process and predictable in terms of what types of events would in fact be supported.

Mr. Nilson: — Just a few other questions in this tourism area. How much funding or how much money or how many people are assigned to work with the whole Aboriginal tourism issue? Is there money in your budget for that or how does that work?

Mr. Isman: — Within the ministry, how many people are specifically working on this?

Mr. Nilson: — Yes.

Mr. Isman: — At the present time we have a total staff complement in tourism initiatives of 1.5 people for the entire area. That's soon to be 2.5. We are in the process of transferring a position over. We do not differentiate any specific individual in terms of working with specific Aboriginal tourism as a function. We are working on a number of projects in that regard though.

Mr. Nilson: — Okay, thank you. Now in looking at the report from Tourism Saskatchewan — and there are quite a number of areas where you obviously work very closely together with the departmental official which explains the small number of people in the department — one of the things that they refer to there is the provincial tourism signs committee which is dealing with an age-old problem, and I think it's been around for a while. But has there been any money, has there been any money allocated to that particular program, and if there has been, how much?

Mr. Isman: — I'm going to ask Mr. Dueck to respond to that.

Mr. Dueck: — We've been working with the Ministry of Highways and Transportation on this issue for some time. And we had a stakeholder consultation in early December to talk about the signing issues, and they've come forward with some recommendations. We're working on those in co-operation with Tourism Saskatchewan and the Ministry of Highways and Infrastructure. There hasn't been any specific commitment of an allotment of funds from the budget, but we are working on some joint initiatives in that regard.

Mr. Nilson: — You haven't received any commitment from the Highways people for funds?

Mr. Dueck: — We haven't allocated any from the ministry at this point.

Mr. Nilson: — Once again, driving around the province, there are many signs that, when the headlight shines on them, you can't see them. And most of them relate to tourism, and so I encourage you to push ahead with this and get some dollars.

And one other very specific question: did you include a discussion at this meeting or consultation in December of

putting up a sign by Maple Creek for the Cypress Hills Winery?

Mr. Dueck: — I don't recall that specific issue coming up, no.

Mr. Nilson: — Well I'll ask that specific question now, and if you're along next week, maybe you can find out what the progress is on that particular issue because, as you know, we only have one winery. But they, I know, have been trying for years to get some signage both there and in the town of Maple Creek and have run into all kinds of difficulties, and it's sort of an example of the kind of thing that could be fixed.

You'd even, I think, you know, send a note out to the minister in BC [British Columbia] and ask him to cook up a sign or send a sign with the Cypress Hills name on it out, just like the ones they use in BC. We'd be happy to see it.

Mr. Dueck: — Something that we're working on is some standards in terms of what qualifies as a tourism destination for signing. I know that the Ministry of Highways and Infrastructure has some fairly strict rules in terms of signing along the No. 1 Highway, so that's definitely an issue — something we want to develop with them, or criteria that would clearly identify what kind of tourism operation would qualify.

Mr. Nilson: — Just having driven on the No. 1 Highway last night, I'd be really interested to hear what their criteria are for signs because it's a whole mishmash along the highway. And don't let that hold up progress in this area. And I will remind our critic looking at Highways issues to raise this there as well.

Hon. Ms. Tell: — The entire issue of highway signing, whether they be for tourism or any other signage, park signage or whatever — and again I'm going to come back to the issue — is that this issue didn't just become an issue within the last year and a half or two years. It has been a long-standing issue within the province.

And we've had a number of requests from various groups or, you know, the Maple Creek winery have spoken, you know, about wanting a sign. And they are one of many that require and need signs to improve and enhance our tourism initiatives within the province of Saskatchewan.

And what we can say at this point in time is that we are working diligently to ensure that over time, through a very strategic plan, that we can hopefully address some of these issues over time. This is not a problem that we're going to be able to fix within a year or two years for that matter.

You as well as I know that, you know, that the costs of signage and that type of thing is extensive, so I think it's important that we continue on the path that we are currently on — identifying the needs of signs within the province of Saskatchewan and proceeding accordingly. And we are working diligently to enhance tourism in the province, and obviously you can't enhance tourism if people can't find where the tourism product actually is. Thank you.

Mr. Nilson: — I think you can tell from my questions that this is not a new question for me, and it used to be that the answer was, well we don't have enough money. And now there's a lot more resources around, so this is something that's been deferred

by the Highways officials or . . . And I know the people in the department have been working on this one for a long time. So I think it is one that should be resolved.

Is there any work being done on genealogy tourism? This is one of the biggest trends in eastern North America and especially in Europe, and we have better and better records that are all in electronic form in through our ISC [Information Services Corporation of Saskatchewan] on the land side, and then also on the, all the vital statistics work which is over at ISC now. So I'm just wondering if there's any specific policy work being done in this area.

[21:45]

Mr. Dueck: — There are certainly some facilities that are doing that kind of a thing. The Duck Lake Regional Interpretive Centre is one that I'm aware of. We don't currently have a project that we are funding in that area right now.

Mr. Nilson: — Okay. I just encourage this as an area that, you know, we've had many, many people move away from Saskatchewan over 100 years, and they still have a funny spot in their heart for Saskatchewan. And one way to get them back is to make it easy for them to find where their great-grandfather lived, so I encourage that.

Now one more question, this tourism area before I move on to something else. The educational property tax rebate for tourism businesses, will they . . . If you're a farm holiday site, a tourism site, will they, as a business, receive the commercial property tax rebate or will they get the ag property tax rebate? And I'm asking this specific question because we know that the rebates on the commercial side are substantially less than on the agriculture side.

Mr. Isman: — Mr. Nilson, we do not know the answer to that question, but what I'd like to do is commit to determining what it is, and we can provide it to the committee, a written response if you like.

Mr. Nilson: — Okay, thank you.

A Member: — I may have an idea of how that's probably going to work.

Mr. Nilson: — Well I think we should get it from the Finance officials what they're going to enforce as opposed to what the local people will do. But it raises an interesting question because both industries are really important for Saskatchewan. Both have really tight margins, if I can put it that way, in the business, and there's a substantial difference in treatment of a farm business versus a tourism business. And both have the short seasons to get all their revenue, and so it may be something that you want to look at.

Now I'm going to ask a couple of questions about the Arts Board. It appears that the Arts Board funding has increased by, I think I heard you say, 4 per cent, but is it actually 4 per cent or a little less.

Hon. Ms. Tell: — The Arts Board has increased by 4 per cent.

Mr. Nilson: — Now I understand that the extra money allocated to the Arts Board, I guess just over a year ago — \$3.5 million — was pulled back from them. Can you tell me where this money is?

Ms. Hetu: — Besides the 4 per cent increase that they received through this budget process, they will also receive about \$2.5 million for new programming. They will be delivering a new program called the creative industry growth and sustainability program, which is to increase the commercial and entrepreneurial growth of the creative industries. They will also be delivering a new program called Culture on the Go which is a touring and market access program. They will also be providing some support for the cultural Olympiad and will be receiving some funding for that as well. And they have received that in the '08-09 fiscal year. So it's just about \$2.5 million in addition to their allocation that's in the Estimates book.

Mr. Nilson: — Okay. So the allocation in the Estimates book has gone up by about . . . [inaudible interjection] . . . Yes 4 per cent. Okay. And so then the \$2.5 million, this is then of the 3.5 million that was clawed back from before. So that's where the dollars come from?

Ms. Hetu: — Yes.

Mr. Nilson: — Okay. So then there would be 1 million more. So where does that million go?

Ms. Hetu: — We're in the process of working on some new initiatives. And they'll be announced as they're ready.

Mr. Nilson: — So the 2.5 million is a one-time money then?

Ms. Hetu: — No it's not. The creative industry growth and sustainability program and the Culture on the Go program are three-year-pilot programs. So they started in '08-09 and will go through till '10-11 and be evaluated. And at that point, a decision will be made about the go-forward plan.

Mr. Nilson: — Okay. So for budget purposes then, there was this line for support for provincial arts and cultural organizations. Is that where the money is located then?

Ms. Hetu: — Yes.

Mr. Nilson: — So that funding did not exist in the '07-08 budget. And last year it was 4.2 million. And basically it was the money primarily that was clawed back from the arts funding in the fall of '07.

Ms. Hetu: — The 4.2 million showed up in the ministry's budget in the '08-09 fiscal year, and it was part of the Arts Board's budget in the '07-08 fiscal year.

Mr. Nilson: — And so then it's been increased, and it's going to continue to deal with these particular things that you've just described.

Ms. Hetu: — That would be the additional funding for the Arts Board, besides their 4 per cent, the delivery of those two new programs.

Mr. Nilson: — And the funding is allocated in conjunction with the Arts Board, or how does that work?

Ms. Hetu: — The funding is being delivered by the Arts Board, and they have an agreement with the ministry to deliver those programs.

Mr. Nilson: — So the decision as to how to spend the money is made by the ministry before the money is contracted to the Arts Board?

Mr. Isman: — We are responding to, by way of example, the Culture on the Go initiative. Through the course of discussions that we had with the Arts Board, they had pointed out what they called a strong need for touring initiatives within the province and to allow market access within the province. Through extensive consultation and discussions with the Arts Board and their management, we explored this. We brought it back. We presented it to the minister who also felt that it deserved merit and serious consideration.

And so we worked collaboratively with the Arts Board into turning this into a program based on what we heard from them.

Mr. Nilson: — I am supportive of that program, but I'm just interested to figure out how it's funded. And it appears here that it's got a solid place in the budget at least until '10-11, I guess is what I'm hearing, so we need to make sure that that stays there plus the appropriate increases on the Arts Board side which I think is where we in Saskatchewan have a real solid . . . [inaudible] . . . and many, many years of experience with their skill in allocating money.

So I guess I am strongly supportive of making sure that the Arts Board has money, that you have money to do some of these programs within the department, and that continues with the co-operative way of doing things which I hear so far. So that's good.

I don't think there's enough money given the number of jobs that are created in this area, and so I would say that very publicly here. I would have . . . I mean it's unfortunate that the 18 million tax thing which really doesn't even show up in your books — if I can say that again — shows up in this area because it doesn't really reflect the kinds of resources that are there for what we need to do.

The Cultural Olympiad, how much money is allocated for that, and will the money be expended here in Saskatchewan or in Vancouver and Whistler?

Mr. Isman: — First of all, I need to explain that in December there was a partnership announced where Saskatchewan became a contributing province under the contributing province/territory program with the Vancouver 2010 Olympic committee. That was a contribution that the province made of \$1.5 million, as did all the other provinces although they varied based on the population. And the territories have all participated in what has been billed as Canada's games.

Of that \$1.5 million — which was per se Saskatchewan's buy-in to that program — \$187,500 of that amount did not flow to the Vancouver organizing committee. In fact it flowed to the

Saskatchewan Arts Board who are coordinating activities that will be involving Saskatchewan artists and performers for the Cultural Olympiad. Quite a bit of that will be focused on activities that will be taking place both in Vancouver and at Whistler; you're correct.

And some of that has already taken place in terms of at the one-year launch. By way of example, at Whistler, Saskatchewan band Wide Mouth Mason performed. And there was also, in Vancouver, the Clearing a Path initiative on Aboriginal art that was part of the Cultural Olympiad.

There will, however, also be some touring programs that relate to the cultural Olympiad that will take place here in Saskatchewan that will largely take place at the time of the torch relay, through the period involving the torch relay when it takes place in Saskatchewan, as well as events that will be taking place in Saskatchewan towards the times of the actual carrying out of the Games.

So to answer your question in a long about fashion — and which I apologize — yes, some of it will be taking place in Vancouver and at Whistler, but some of it will also be taking place here in Saskatchewan.

[22:00]

Mr. Nilson: — Will there be any extra money or new money allocated in the '08-09 budget — so in other words, already transferred — or in this budget to go to SCN as an extra way for them to help us celebrate the Olympics?

Mr. Isman: — There has been an increased budget allocation to SCN in the '09-10 year. It was not relating specific to the Olympics.

Mr. Nilson: — So none of this Olympic money goes to that venue at all then?

Mr. Isman: — No.

Mr. Nilson: — I'm not sure if this is the whole area of SaskFilm — I assume that's in this area — and the film employment tax credit. Is there any sense of the anticipated activity at the sound stage and in the industry this year that you could, I guess, make me happy or overjoyed? Or should we be worried?

Mr. Isman: — Mr. Nilson, thank you for the question. I'd like to state that we have some estimates of what we believe to be relatively accurate figures for production volumes for the '08-09 year. But I need to clarify that those are largely estimates at the current point in time inasmuch as the current fiscal year doesn't end until tomorrow, and I don't want to claim that we've got all of the financial impacts completely tallied up at this point in time.

And I would like to point out that first of all, we are anticipating a decrease in film production volume for '08-09 as compared to '07-08. In '07-08, which was a record year, film production volume was \$67.9 million. For '08-09, the fiscal year which is about to end, we're seeing a slight reduction to what we are projecting as 61.8 million, so a decrease of approximately \$6

million in terms of film production levels.

Mr. Nilson: — As I understand this, the film employment tax credit takes so long to work its way through that you have to budget the 8.2 million to cover productions over the last year and a half or two years. Is that accurate? Or do you budget for the tax credit when the work is actually being completed?

Mr. Isman: — Unfortunately in terms of actually doing this, this budgeting process for the film employment tax credit, a lot of it rests with when the producer would actually make application for the tax credit. Accordingly there's a two-year limit, and so we really don't know whether that tax credit is going to be applied for in a particular fiscal year or if it would be in the following fiscal year.

Now that had been tightened up previously. It had been up to five years, which really allowed some manipulation in terms of income levels and the like. That was tightened up over the course of the previous fiscal period.

The actual allocation of the budget of \$8.2 million is the information that we've received from our colleagues at the Ministry of Finance as to what they felt was our best estimate in terms of a go-forward basis.

Mr. Nilson: — Okay. Thank you. But I guess it allows you to have the flexibility to respond to demands when they come. And I know that it's not the tax credit that's holding back a lot of the productions now; it's the ability to borrow money to do anything that's really the issue. So it's frustrating on a whole number of levels.

But I guess practically our landscape is still really great, and the soundstage is really good. And the Canadian dollar has dropped from where it was a year ago. So we should all get out and make sure we promote Saskatchewan as a place to make your next movie. And anything that we can do to make sure that that works, well then we should do it.

And I'm not sure what the time limit is on how long we're supposed to go here, but I think at 10:30 everything goes poof and disappears. So we know that's the final time limit.

My sense of the budget for a lot of the museums and for a lot of those kinds of activities is that you've tried to give them money to deal with inflationary costs. Maybe not the natural gas costs for this last winter but now with the new ones, maybe it'll cover some of that, the new prices. But I know that you've ended up having to give the Western Development Museum more money over the last — I don't know — six months, so they could complete their project. Are they now in a position where this amount that's allocated here is going to allow them to continue with relatively little pain, or are we still in a position where there's going to be substantial readjustment?

Mr. Isman: — There had not been any incremental allocation to the Western Development Museum in the '08-09 year. It had been in the '07-08 year that the allocation had been for the completion of the Winning the Prairie Gamble initiative. The Western Development Museum, I believe, completed the project in '08-09, but they had the resources in advance of the fiscal year for the completion of the project.

Mr. Nilson: — So is this amount here sufficient to allow them to continue, or are we going to be seeing them forced to change how they do things? I guess, is this a status quo budget, or is this one that requires some fairly substantial change in the organization?

Mr. Isman: — The folks from the Western Development Museum, the management, the senior management, we have met with them during the fiscal year which is about to end. We've reviewed their progress in terms of the Winning the Prairie Gamble initiative, and we talked about the overall implementation. They did not indicate a need for incremental resources, nor has a request come forward to the ministry for any incremental funding to conclude that project.

Mr. Nilson: — I assume that's in response to an encouragement not to ask for too much.

Mr. Isman: — We have found people not to be shy when it comes to asking for money as of late.

Mr. Nilson: — Well I think people can get a strong message that this isn't a year where we're going to make some major adjustments, but okay I understand that.

Now I asked one question about SCN and the funding there, and there is an increase of \$300,000. I know that one of their big challenges — and I guess, you know, it's a challenge right through the whole industry that they're involved in — relates to the ability to film in high definition, HDTV. And that has been one of their long-term goals because then whatever kind of production they do by themselves or together with other Saskatchewan filmmakers has a much bigger market around the world. Is there any money in this budget that allows at least the first steps along that road to making sure that SCN's ready for the next couple of decades?

Ms. MacDougall: — Hi. A very good question and something, as you're well aware of, it has been a strategic goal of SCN's for several years now. And part of what we've done in the past several three years now has started to invest in some of the technology upgrades that are required to indeed broadcast in HD [high definition]. We've also encouraged the production community over the last two years that that's the type of programming we would like to see them generate, although we still then request it in standard definition format. So it is well under way.

However, specifically related to the '09-10 budget, there is no additional funds for SCN to acquire HD programming at the time, nor is there any additional funds to seek a licence in high definition at this time. That will be something that will certainly be going forward in the next budget cycle because, as you mentioned, it's very critical to the long-term success of the industry.

Mr. Nilson: — Well I would encourage there to be lots of work in this area. I think one of the things that's going to happen in the sort of world communications area is that people are going to be, in many ways, focused on their local and regional activity, and that one of the kinds of decisions that are made by national and international communications companies diminish the role of the local. But that's what people want.

And so somehow we may end up having here a role as a provincial government, and our provincial other partners in Saskatchewan, to make sure that SCN actually maybe gets double or triple the money because that's what many people here will want to see. And I think practically, if we produce that kind of footage that can be used here, it will also appeal and have use other places. So I guess if that's part of the plan for this coming year, hopefully there's some money in here that allows for the development of that proposal.

Ms. MacDougall: — And certainly there's also been work that has been started in that regard. We've done . . . [inaudible] . . . just in the last six weeks that indeed confirm what you've indeed said here, is that the quicker you can move to high definition, the quicker you're going to draw that national and international audience. Because that's where people are going to on the dial now, is high definition. So it for sure is high on the agenda.

Mr. Nilson: — And the other important aspect of this is, I think, it's probably some of the best money spent as far as job creation in Saskatchewan for people under 40. Because when you see the numbers of people, the numbers of ideas that are floating around, they just don't quite have the dollars. And I know from just observing SCN over the years that SCN is often the key partner in making sure that a film gets made or that a television series is made, and so the more money that you can somehow divert over to what SCN's doing, it will benefit all the other areas, whether it's tourism or parks or culture or sport, and we know other departments work with SCN very well as well.

Well I guess you've answered my question that this budget is going to allow everything to continue but I strongly encourage . . . And if you need support from our side of the House in doing this, well we'll be happy to provide it.

Are there any changes that this particular budget means for SCN that haven't been announced yet?

[22:15]

Ms. MacDougall: — There will be no major announcements. What this budget will be doing for SCN specifically is taking a very much focused approach on a few initiatives. The budget allowed for a steady state budget and so we want to ensure what we do do and when we do work with the producers, it's very focused, so that their product is, as you mentioned earlier, not only attractive within Saskatchewan but attractive nationally and internationally.

So we just recently sent in our request for proposals from producers looking specifically for innovation, programs that relate to entrepreneurship or life sciences, preventative health — those types of areas that not only are attractive here, but would be attractive nationally and internationally. And we really are looking to see them grow beyond SCN or Saskatchewan borders.

Mr. Nilson: — Well I'd have to say that some of the new programming that I've seen for SCN over the last six months to a year has been quite fascinating in that it's really based locally in Saskatchewan, but it has an international appeal. So continue

that work and I encourage the minister to see if you can get some more dollars headed this way as the year . . . And if maybe if the potash prices stay as high as anticipated, there might be some extra dollars that go in before the end of the year, so put that on the list there for development.

Now I think that's all the questions that I have on the SCN area.

And I have a question on the Community Initiatives Fund and that area, and I guess the specific question relates to the opening of the new casinos over the last couple of years, well the most recent one in Swift Current but also Dakota Dunes is now fully on board. Has this created any difficulties for the revenues through the lotteries, and therefore the revenues that support a lot of what happens in both . . . Well I guess there's two areas. One is the Sask Sport or SaskCulture kind of money that comes from the lotteries and then also the casino money that goes directly to the Community Initiatives Fund. But has there been any change in income for these areas such that for a budgeting purpose we need to start worrying that the trends are going the wrong way?

Mr. Langen: — I'll be pleased to answer that for you. Essentially, as you know, the gaming profits that come from Casinos Regina and Moose Jaw, 25 per cent less the portion that goes to the Clarence Campeau Development Fund goes into the Community Initiatives Fund. The increase in the budget reflects Saskatchewan Gaming Corporation's projected increase in profits. And as far as we can tell based on the last two to three years, those profits have been healthy. And the opening of new casinos, as far as we know at this point in time, hasn't had a noticeable impact.

Mr. Nilson: — So that's as it relates to the casino and the Community Initiatives Fund. As far as the lotteries money, which is also in the whole gaming area, if I can put it that way, are there any trends or concerns there as far as the revenues?

Mr. Langen: — As far as we can tell and based on best estimates to date, there are no concerns. There's been a fairly steady increase.

Mr. Nilson: — Okay. Well I was anticipating that answer, but it's nice to know that you're keeping track of that. Because one of the concerns as we had more and more of the support for things that happen in this particular area — whether it's sport or culture or others — being dependent on gaming money, you don't want to have it a situation where there's all of a sudden a drastic drop and many important community organizations are, you know, left in the lurch and you're scrambling as a department to try to figure out what to do to shore everything up.

So now I think we were planning to go for about an hour, and we've just been over an hour. So I think what I'll say is thank you very much for tonight, and you can let all the parks people know that they'll get the bulk of the questions next week. But I may still have some questions for some of you next week, given some of the information that I've received tonight. But thank you very much.

Just to say that, you know, our caucus is very supportive of the work in this area and there are some times when we end up

asking some hard questions, but the purpose of asking the hard questions is to eliminate the surprises for both the people in the ministry but more importantly for the public. So we'll continue to do that, so thank you very much.

The Deputy Chair: — Is there any other questions? Well first off I guess I'd like to thank the minister and her officials for being here this evening and putting in the late shift. But being we are a few minutes before our official adjournment time, I would ask that someone would pass a motion to adjourn.

Mr. Brkich: — I will pass a motion that we adjourn, that the committee adjourn.

The Deputy Chair: — Thank you very much, Mr. Brkich. Mr. Brkich has moved motion of adjournment. Is everyone agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — Thank you very much. The committee now stands adjourned, and will reconvene at our next scheduled time. So thank you very much for everyone being here this late in the evening.

[The committee adjourned at 22:23.]