



STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND JUSTICE**

Mr. Warren Michelson, Chair
Moose Jaw North

Mr. Kim Trew, Deputy Chair
Regina Coronation Park

Mr. Greg Brkich
Arm River-Watrous

Mr. Michael Chisholm
Cut Knife-Turtleford

Mr. Wayne Elhard
Cypress Hills

Ms. Deb Higgins
Moose Jaw Wakamow

Mr. Delbert Kirsch
Batoche

[The committee met at 19:04.]

The Chair: — Being that it is 4 minutes after 7, we will call the committee to order. I'd like to thank you all for appearing on the committee.

Because there's been some changes in the committee, I would like to introduce the committee as it now stands. So we've got Greg Brkich, the MLA [Member of the Legislative Assembly] from Arm River-Watrous; Michael Chisholm, the MLA from Cut Knife-Turtleford; Wayne Elhard, the MLA for Cypress Hills; and Delbert Kirsch, the MLA for Batoche; MLA Kim Trew from Regina Coronation Park; and Deb Higgins, the MLA from Moose Jaw Wakamow. So thank you for being here.

We have a couple of things that we have to take care of. I'd like to table a letter from June of this year which is regarding the resignation of the Deputy Chair, Deb Higgins, as the Deputy Chair of Intergovernmental Affairs and Justice. So we will table that.

And on our agenda we have this evening, we have two items — the First Nations and Métis Relations, vote no. 25; and Municipal Affairs, vote 30. I would ask your indulgence as we go forward on this and that the committee would respect that these are the two votes that we will be considering tonight and to keep the questioning in focus with those particular items on the agenda.

First of all I'd like to — I think everybody's got an agenda in front of them — if I could have someone move the agenda for the consideration of the supplementary estimates for vote 30, Municipal Affairs and for the consideration of supplementary estimates, vote 25, First Nations and Métis Relations. Could I have somebody? Mr. Brkich. Thank you very much.

And with that we will start with the first item on the agenda, for Municipal Affairs. I would like to introduce Minister Harrison to introduce your officials. And he can make a statement after that if he would like. Mr. Harrison, please.

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

Subvote (MA07)

Hon. Mr. Harrison: — Well thank you very much, Mr. Chair. And thank you very much to committee members for being here this evening. I'll introduce my officials first. On my left is Van Isman, deputy minister of Municipal Affairs. On my right, Wanda Lamberti, the executive director of central management services. Behind, Russ Krywulak who's our executive director for grants and admin in financial management; Kyle Toffan, director of grants and administration. And up on the wall, John Edwards, executive director, policy development; Keith Comstock, executive director, strategy and sector relations; Ralph Leibel, executive director, community planning; and Erin McConnell who's the executive assistant to the deputy minister.

And firstly I'd like to inform the committee I had my wisdom

teeth out about two months ago, and I had to have emergency dental surgery on Saturday because one of them was infected. So I'm pretty swelled up and my jaw's pretty sore. And talking is not the most comfortable thing, which is not a good thing to have happen in this line of work. But that being said, Mr. Chair, I have a brief opening statement, then I'm happy to take any questions that the opposition and government may have.

This budget year, Municipal Affairs has forecasted overexpenditure of \$20.831 million, almost exclusively because of acceleration of spending in the Building Canada fund-communities component. The overexpenditure is primarily the result of dollars flowing to improve municipal infrastructure throughout the province. The construction, renewal, expansion, and upgrades to priority infrastructure helps our province move forward. These projects help build a stronger province and a better life for all Saskatchewan people.

It represents accelerated funding to be expensed in 2009-10 due to projects progressing faster than anticipated. In total it's estimated that \$43.941 million will be made available to communities this year through the federal and provincial share, the Building Canada fund-communities component, which is used with to assist municipalities with a population of less than 100,000 people.

A portion of this amount is offset by underexpenditures in other programs such as the MRIF program, Municipal Rural Infrastructure Fund, and Saskatchewan infrastructure growth initiative. It's also important to note that this net overexpenditure is offset by corresponding revenue from the federal government that will be received into the General Revenue Fund.

It will result in needed investment in roads, water, and waste water facilities, and upgrades. With federal investment, this represents over \$227 million in total infrastructure investment in Saskatchewan communities from 2008-09 to 2013-14, all of which has been committed to projects to date.

Putting dollars in the hands of municipalities, many using local employment and local contractors, is an important part of ensuring Saskatchewan's economy continues to move forward. Variables that affect progress on projects such as weather, municipal financing, and contractor availability are not controlled by the ministry and have significant impacts on the amount expensed by the province.

In summary, the Municipal Affairs overexpenditure represents funding required to meet our ministry's federal-provincial infrastructure commitments. And I would note as well, Mr. Chair, that our province was the first province in the entire country to have all of our BCF-CC [Building Canada fund-communities component] stimulus money allocated, and also the first province in Canada to have all of the stimulus money allocated, which I think is a reflection of the positive relationship we've developed with the national government. But I'd be at this point pleased to take any questions.

The Chair: — Municipal Affairs, vote 30, municipal financial assistance (MA07), the Building Canada fund-communities component, in the amount of 20.831 million. We'd entertain

questions now. Ms. Higgins.

Ms. Higgins: — Thank you very much, Mr. Chair, and thank you to the minister and your officials for being available this evening.

In the Supplementary Estimates, it says that this expense is partially offset by federal revenue. What's the breakdown?

Hon. Mr. Harrison: — I believe it's over \$10 million, but we'll get the exact figure. Yes, the incremental increase from the federal government is \$10 million.

Ms. Higgins: — So when this money is disbursed and the federal government reimburses the province of Saskatchewan for their portion of the money that obviously we're fronting on this, where does that money go to? Back to the department or does it go to the GRF [General Revenue Fund]?

Hon. Mr. Harrison: — No, it goes back to the GRF.

Ms. Higgins: — Mr. Minister, there's a couple of things. I spent some time going through a number of press releases that have to do with the Building Canada fund and I wanted to know just a couple questions.

There was one . . . I guess one thing that's prevalent in all of these press releases that were released — some in the fall, some go back into June, July, some as close in as September, end of September — and the first one, it's headlined "Canada and Saskatchewan invest in Saskatoon." And it is money that is designated from the Building Canada fund-major infrastructure component.

Now when these press releases are put out, and I've noticed it on all of them, is often there will be a federal backgrounder that is attached. It will give information on the program and often there is a number of programs, more in the communities component, that will be a lump sum that will be divided amongst a number of multiple projects. But they will give a breakdown. They will say the money is coming from Building Canada fund. The major infrastructure component is the one I'm referring to right now. It has to do with a major investment in Saskatoon.

On the provincial side, where did this money come from, the province's matching contribution?

Hon. Mr. Harrison: — Well, Mr. Chair, I don't think vote 30 has anything to do with BCF-MIC [Building Canada fund-major infrastructure component].

Ms. Higgins: — If it doesn't have to do with the Building Canada fund, then what does it have to do with?

The Chair: — Where are you going with the questioning?

Ms. Higgins: — Just looking for where the money comes from and where the additional monies that's dedicated, where it will be going to. And the minister took time at the beginning of the committee to talk about the Building Canada fund and how it had contributed to infrastructure and the improvement of life of Saskatchewan people. So I would assume by that that we have

an opportunity to ask about the Building Canada fund. Am I incorrect?

Hon. Mr. Harrison: — Yes, I think the member shows a fundamental misunderstanding of what the Building Canada fund is, Mr. Chair. The Building Canada fund-major infrastructure component is a separate program from the Building Canada fund-communities component. They aren't the same program. The reason that we are here to talk about vote 30, Mr. Chair, is to deal with the communities component overexpenditure.

Ms. Higgins: — So then obviously the minister doesn't want to talk about the major infrastructure component of the Building Canada fund and refuses to tell the committee where that portion of the money came from. So we will move on to the communities component.

That being said, same question. There is a number of press releases that were put out over the summer and all of them contain . . . They're on Government of Saskatchewan letterhead. They will have a federal government backgrounder that will give some detail to each of the projects that are listed on it, but there is very little detail from the provincial side of the funding.

[19:15]

So then I would ask the minister: in the Building Canada fund, the communities component, does the money come from, solely, the capital budget of the Department of Municipal Affairs or the Ministry of Municipal Affairs?

Hon. Mr. Harrison: — No. Well it comes from the allocation that was made in the budget, and obviously those expenditures were higher, which is why we're here in supplementary estimates, Mr. Chair.

Ms. Higgins: — So then expenditures at budget for the department or Ministry of Municipal Affairs?

Hon. Mr. Harrison: — Yes. No, the initial \$20 million for BCF-CC that was allocated at the budget was obviously lower than what ended up being spent, owing to a number of factors which I briefly touched on in my opening comments. But what it basically comes down to, Mr. Chair, is that we had a number of . . . We still have construction going on to this time. And with that nice weather in this month, decent weather in October and September, more work got done than what we had anticipated, and therefore more costs were incurred. And once costs are incurred, the way it works, municipal governments then send in the bill to the ministry and the ministry pays upon receipt of the bill for the work done.

Ms. Higgins: — So Ministry of Municipal Affairs has a number of agreements ongoing with the federal government or is involved in a number of agreements and a number of different components. You've got communities. You've got the major infrastructure fund. You've got the — jeepers — ISF [Innovation and Science Fund]. The list kind of goes on and on. Community adjustment fund.

And I guess a question is, there was an announcement during

the summer with the federal and provincial governments. And you, Mr. Minister, are named in the press release as being on hand and representing the provincial government. So on the bottom, there is no reference to whether the province contributed to the contribution, and this one was for a redevelopment of Leibel Field, I believe, here in the province of Saskatchewan in Douglas Park. And it says a joint investment by the governments of Canada and Saskatchewan; but for more information, there's no provincial government contact. And I'm just wondering, did the provincial government put money in and did it come through the provincial Ministry of Municipal Affairs?

Hon. Mr. Harrison: — Mr. Chair, the Leibel Field announcement, which was actually made in the Leader of the Opposition's constituency, was from the Recreational Infrastructure Canada program, and there's a cost share of course with that, but that's not BCF-CC.

Ms. Higgins: — So that came through the RInC [Recreational Infrastructure Canada] program? Is the budget for Municipal Affairs, do you go in with a predetermined notion of how the split will be in the capital projects and in the money that you have to allocate or do you just wait and see what the federal government has established and what kind of matching dollars? Do you kind of go at it before the federal government ask or layout of what their programming is or do you have in mind beforehand how your allocations will work?

Hon. Mr. Harrison: — Well, Mr. Chair, the Building Canada fund-communities component part of the Building Canada fund, it's a similar agreement in every province. There's slight differences in terms of the . . . But it is an agreement between the Government of Saskatchewan and the Government of Canada which stipulates clearly that there is to be a cost share — one-third, one-third, one-third — between all three levels of government.

Ms. Higgins: — So then when the announcements are made and when a number of these projects are rolled out — whether it's the infrastructure stimulus or whether it's many of the other programs, the communities components — your budget, that's where its total dedication is, is to be allocated matching the one-third for federal programming? Or do you have any projects that are undertaken purely by the Ministry of Municipal Affairs?

Hon. Mr. Harrison: — Well it depends on the program, of course. And there's different arrangements under different programs or there's different agreements under different programs. But with the communities component of Building Canada, it is a one-third cost-shared program between all three levels of government.

Ms. Higgins: — So this expenditure, when we're looking at this increase, \$20 million to go into the communities component, what's that going to be used to fund?

Hon. Mr. Harrison: — That's used to fund the projects. I think there's 145 BCF-CC projects that have been approved jointly by the federal and provincial governments. The dollars allocated obviously go to those municipalities upon submission of a receipt for work done in the context of completing those

projects.

Ms. Higgins: — So these projects have already been approved, so would be under way to some step or another?

Hon. Mr. Harrison: — Yes, Mr. Chair. We pay on receipt so we have to get receipts of work done before paying.

I should clarify. Under the second intake of BCF-CC, that's how it works. Under the first intake of Building Canada fund-communities component, there were dollars that were flowed to municipalities as a part of the economic booster shot.

Ms. Higgins: — So the money was flowed to the municipalities under the economic booster shot. I thought that was the MEEP [municipal economic enhancement program] program.

Hon. Mr. Harrison: — The first intake of BCF-CC, which was announced in February of 2009 and which was under last budget year, was flowed directly to municipalities. Under the second intake, both the short deadline and the long deadline of the second intake of BCF-CC, the arrangement with the municipalities is that it's paid upon receipt for work done.

Ms. Higgins: — So is it parcelled out? Can you apply, say if I have 10 per cent or 25 per cent or 50 per cent, can I then receive corresponding amounts of money or does it have to be 100 per cent complete before the money is paid?

Hon. Mr. Harrison: — Yes, we pay on the progress of the project.

Ms. Higgins: — Good, because I don't think the municipalities could afford to front the money for the provincial government much the same as the federal government is, and I guess I would be very disappointed if that was a tack we were taking.

So the new money, these are projects that are already approved and have been accepted. Is that what I understand?

Hon. Mr. Harrison: — The projects that were announced as a part of the second intake of BCF-CC, all of those dollars have been allocated. So all the projects have been announced.

Ms. Higgins: — So then this will be the third intake?

Hon. Mr. Harrison: — There is no third intake.

Ms. Higgins: — So then the additional \$20 million is to finish off projects that have already been approved but yet you had no money for.

Hon. Mr. Harrison: — The projects that are . . . These are projects that have been approved. The progress that was made on them over the course of the last number of months was greater than we anticipated, which is a good thing. It's a good thing. It means work is getting done. It means people are working. It means local contractors have been working on these projects, which we think is a good thing.

And it was simply a fact that the municipalities were making more progress than anticipated — which, as I indicated, is a positive thing — and therefore we're here at supplementary

estimates to ask for that additional appropriation.

Ms. Higgins: — So then, if this is because of progress has been quicker than what was expected in the initial applications, then are you bumping money forward from next year's budget? Will you see a corresponding decline in your capital budget for next year or is this additional money?

Hon. Mr. Harrison: — Yes. No, the total amount of the program isn't going to change. It is simply just a matter of how it's cash-flowed that will be different.

Ms. Higgins: — So then if the corresponding amount of the program never changes or won't change, then this is next year's money that has been moved forward.

Hon. Mr. Harrison: — Yes. No, it goes out to, this program runs to 2013-2014, so it means that there will be a corresponding reduction in the out years as to what the requirement is in any particular year. But, you know, the total amount of the program, the federal-provincial contribution in total, is 227 and a half million dollars and that figure will remain constant from last budget year until 2013-14.

Ms. Higgins: — 227, is that what you said? Total?

Hon. Mr. Harrison: — 227.4 million total fed-prov contribution.

Ms. Higgins: — So 2013; no additional projects. Then there's not a third intake. So then what projects have been approved — that's it?

Hon. Mr. Harrison: — Yes. As I'd indicated, Mr. Chair, we were the first province in Canada to have all of the projects identified and the dollars allocated for those projects. There's many other infrastructure programs out there but that's a question for another day, I guess.

Ms. Higgins: — So then we're going until 2013. This program doesn't end till 2013 and our allocation is done. I guess that's what I want to be clear on, if the allocation for Saskatchewan of the federal contribution, is that complete then with this \$20 million?

Hon. Mr. Harrison: — No. I think the member's not understanding how this program works. As I indicated, there's a \$227.4 million federal-provincial contribution to the Building Canada fund-communities component from last budget year until 2013-2014. That amount of money is going to be spent over that period of time on the projects that have been identified, projects that have been approved — 145 projects in total — mainly water and waste water projects which we know were very necessary to be caught up on considering the significant infrastructure deficit with regard to, that we found when we formed government. So this has been a very positive program thus far.

And there is a possibility, I would add, Mr. Chair, for reallocation. What generally happens — I'm not sure if the member's aware of this or not — but what generally happens in programs of this nature is that you'll have projects fall by the wayside or municipalities deciding that they, for whatever

reason, aren't going to be going forward with the project, at which point you can have reallocation in terms of new projects identified.

Ms. Higgins: — So when you earlier explained how the funding was rolled out the door when approval was given for projects in the first intake, you've done it differently for the second intake?

Hon. Mr. Harrison: — Yes. The first intake was done in a fashion as a part of the economic booster shot in the last budget year whereby it was flowed to municipalities in a different fashion.

Ms. Higgins: — So the question again: so the second intake was paid kind of proportional to the work being done. And then you said there is no third intake. The projects that have been approved are approved. So unless there is some that fall off for some reason and cannot be accomplished, there will be no other money that's available for new allocations or approvals through this project under this program?

[19:30]

Hon. Mr. Harrison: — Mr. Chair, I'm trying to be clear here. This is one program that we're talking about, which is the Building Canada fund-communities component. There's many other infrastructure programs that are currently under way and that could potentially be under way in any number of years. But this one particular program, much like MRIF before it or CSIP [Canada-Saskatchewan infrastructure program] before that, they've run their course and that was the objective of the program from the beginning.

Ms. Higgins: — So there may be something else that starts up in the future, but the allocations in this program do not have to be fully extended or expended until 2013?

Hon. Mr. Harrison: — I'm trying to be clear. Under this program . . . There's other infrastructure programs: the Infrastructure Stimulus Fund, the RInC program, the Building Canada fund-major infrastructure component, the Provincial-Territorial Base Fund. Provincially we have the Saskatchewan infrastructure growth initiative. There's many infrastructure funds out there.

MRIF is just coming to an end but we, you know, we have a number of these infrastructure programs and have spent, frankly, Mr. Chair, an unprecedented amount on infrastructure, and more particularly municipal infrastructure in the course of the last eight months to a year which is badly needed funding. It's very badly needed funding. We knew that it had to happen. We stepped up to the plate, Mr. Chair, and funded these infrastructure projects. And if that member is suggesting that we shouldn't have funded some of these projects, I'd challenge her to identify which ones shouldn't have been funded.

Ms. Higgins: — Well, Mr. Minister, there's no reason to be defensive because the whole point of estimates is for opposition to ask questions on programs and details so that we can better understand the programs and how they're rolling out, what opportunities there are for Saskatchewan communities and Saskatchewan people, and to be able to get those details. This a

role that opposition plays in the democracy that we are all elected to and elected by.

And I don't mean to get you on edge, but I mean I need to understand the details of the program. And whom better to ask but the minister, when you have all of your officials here that are able to give details and clarify some of the questions that I or my colleagues may have. You can talk about the best program rolled out and what a wonderful job it's done, but yet Mr. Chair has restricted the questions that I can ask by saying they should only pertain to this \$20 million. But yet you are telling me there's \$227.4 million out there, federal-provincial contributions. And over or ending in 2013, you are saying that there's 145 projects that have been approved and are in some stage of progress.

So I guess we will go to, what's left in this program? Like how much is outstanding in this program, dollars and cents, provincial contribution, at this point in time?

Hon. Mr. Harrison: — Yes. Thank you, Mr. Chair. At the end of March 31, 2010 there will have been flowed, we estimate approximately \$44 million jointly between the federal and provincial government, which means that over the course of the next number of fiscal years out to 2013-14 there will be on balance approximately \$91.5 million to be cash-flowed over those remaining years.

Ms. Higgins: — Ninety-one million. When we asked written questions on the Building Canada fund communities portion, and on the response to the second intake I think it gives a total of 102.933 million of the provincial share of approved projects and one twenty-four six sixteen for federal projects. So that comes to federal-provincial share of 227, but yet you're telling me there's 91. So 91 million still outstanding? Outstanding to be distributed or new money of projects that have fallen out the . . .

Hon. Mr. Harrison: — Mr. Chair, what I indicated is that there are, at the end of this fiscal year March 31, 2010, there will have been jointly federal and provincially a flow at approximately \$44 million. So when you subtract 44 from 227, you end up with 183, which is the joint federal-provincial portion that will be cash-flowed over the course of the next fiscal years out to 2013-14. Which, when you divide it by two, is 91 and a half.

Ms. Higgins: — So I don't need you to defend the federal government while you're here. All I'm asking for is the provincial share.

So when you look at the list of approved projects, my understanding is, is that the Building Canada fund and the province's . . . I mean I totally understand the province joining in with this program. It's a great opportunity to catch up on many infrastructure projects that need doing. Understand that totally. But from what I recall is that this was allocated towards projects that were considered shovel ready. Am I confusing this with something else, or is that . . .

Well if you give your answer into the microphone, then I can hear you, and you could clear up my misunderstanding.

Hon. Mr. Harrison: — Yes, Mr. Chair, that wonderful phrase, shovel ready, was thrown around with some abandon by parties at all levels. There's a number of the other infrastructure programs which had a requirement that they be completed by March 31st, 2011, and those programs were infrastructure stimulus fund rank. Those were projects that had an end date that they were required to be completed by, which is different than the Building Canada fund-communities component.

Ms. Higgins: — Thank you very much. Another question. When I look at the list that was provided by the ministry for written questions, and it speaks to the second intake and it lists the approved projects, many of them, well there's a number of them that are listed as percentage of work completed zero percentage. I mean some of them are pretty small percentages that are completed already and some are listed as unknown. So once it's approved, then what happens? Is there any deadlines that are attached other than the 2013, or no?

Hon. Mr. Harrison: — Well, Mr. Chair, the way, as I indicated, the way this works is the approval is given by the federal and provincial governments with regard to a particular project. At that point municipalities will enter into a contribution agreement with the provincial government. And then once a contribution agreement is entered into, it's up to the municipalities to determine how they're going to conduct or carry out the completion of that project. And I don't think it's the provincial government's job to be dictating to municipalities how to complete a water treatment plant or a project of that nature. And I would hope that the member wouldn't be suggesting that that's what the provincial government should be doing.

Ms. Higgins: — I hopefully didn't give that suggestion whatsoever. I'm not quite sure where you got it from, but that's not what I was suggesting. Mr. Minister, is there a — sorry, and I know you feel you've addressed this well enough, but — so there's \$91 million of provincial money that is still designated but not allocated yet. Is that close? Am I accurate on this?

Hon. Mr. Harrison: — Could you repeat that please?

Ms. Higgins: — Sorry. The \$91 million has been — I have help here clarifying my poor use of the English language — that the \$91 million has been allocated but not disbursed.

Hon. Mr. Harrison: — Well all of the money has been allocated. All of the money under the Building Canada fund-communities component has been allocated. But I think what you're getting at is, has it been spent yet or has it been flowed to municipalities. And the answer is that there's approximately \$53.4 million, and my officials clarified the exact number. So it's approximately \$53.4 million that has yet to be flowed of the provincial portion to municipalities at the end of this fiscal year.

Ms. Higgins: — So when I look at the Building Canada fund and the provincial contribution or participation in the program, I'm sure you will be well aware — and I know there are many people in the department that will be well aware, and across the province — I mean, there's literally hundreds of projects that were not recommended for one reason or another. Some applications may have been incomplete or I think some were

even withdrawn. Some were considered ineligible.

Are you looking at anything else that would move to kind of fill the gap at the end of this project? Well not necessarily end, but I mean if all of the money is allocated, then obviously there are hundreds and hundreds of projects out there across the province that are still looking for support to be completed. Is there anything the ministry is looking at?

Hon. Mr. Harrison: — I would agree with the member's premise that there are hundreds and hundreds of projects that absolutely need to be funded. And frankly I think it's a legacy of her government that these projects have been left neglected for 16 years that the New Democratic Party was in power. And I'm glad to say that out of the Building Canada fund we were able to move forward with 145 projects. As I said, most of them were water and waste water projects which were high priority, where we felt that there obviously needed to be additional investment, and where we came forward and made that investment, Mr. Chair.

Ms. Higgins: — Thank you very much. I know there is a couple of my colleagues that would like to ask questions, so I will turn it over to them. And I will ignore the political comments.

[19:45]

The Chair: — Thank you, Ms. Higgins. Mr. Trew.

Mr. Trew: — Thank you very much, Mr. Chair.

Minister, you described projects as shovel ready. And I noted and appreciate when you said that that term was thrown about at various levels of government, the two senior levels of government with some abandonment, or some abandon was your words. Shovel ready would mean, should mean, ready to go. My question is, help me to explain to my constituents why shovel-ready projects aren't going to be done until, I think the last ones the last money flows in 2012, 2013? Did I understand that, or is it just 2012? Which did I hear from you, Minister?

Hon. Mr. Harrison: — Thank you, Mr. Chair. I think the member misunderstood, perhaps wasn't listening when that phrase, shovel ready, was raised by the deputy leader of his party, not by me.

The projects under the Building Canada fund-communities component are not time stamped in the way that projects under the infrastructure stimulus fund or the Recreational Infrastructure Canada fund are, where there's a time deadline of March 31, 2011 for completion. Those were projects that obviously have to be completed on a very, I wouldn't say tight necessarily, but on an expedited time frame. So I think the premise of the member's question showed wasn't the proper one.

Mr. Trew: — What was it that wasn't proper about my question, Minister?

Hon. Mr. Harrison: — Yes, the shovel . . . As I indicated, I need a blackboard out here, the shovel-ready part, shovel ready wasn't the Building Canada fund-communities component.

There's not a time stamp deadline for these projects to be completed in the same fashion as there are for the infrastructure stimulus fund or the RInC program.

Mr. Trew: — I wasn't the one. Mr. Chair, let me simply point out for anyone who cares, I didn't raise the shovel-ready comment. Those came from the minister, the deputy leader. It's improper for me to say whether a minister is here or not. This is committee and we have another committee going on. The deputy leader isn't here. You sir, raised the shovel-ready question, not anyone on this side.

Mr. Chair, now I need to understand what the minister was trying to say about shovel ready. And I think there's an infrastructure program and there's a municipal component to a program. Which is it that is supposed to be shovel ready, by your estimation? Or how can you clarify this mudhole you've got us in?

Hon. Mr. Harrison: — Yes, I think the member should review *Hansard* as to who raised the shovel-ready phrase. I'm going to try and be very, very clear for that member in saying that the Building Canada fund-communities component program does not have the same sort of time deadlines for finishing a project as the stimulus programs do — the Infrastructure Stimulus Fund being one I pointed to on a couple of occasions. The Recreational Infrastructure Canada program as well, where there is a March 31, 2011 deadline for those projects to be completed. So I think the term, shovel ready, would probably be a fairly applicable one at the projects under those programs.

The Building Canada fund-communities component does not have that same March 31, 2011 deadline under the main portion of the program. So I hope that clarified it for the member, but I could explain it again if he'd like me to.

Mr. Trew: — Thank you very much, Minister, Mr. Chair. My question is, of the 145 projects, where's the 20 million extra? Because there's \$20 million we're being asked to approve. You've described that, in broad strokes, there's 145 projects under way. In some fashion under way; some of it in the — my words — early planning. Maybe you might choose some other words, but planning stages. Shovels haven't turned any soil yet. And that's fine. I'm not taking issue with that.

But we're being asked to approve \$20 million. Please, to describe which projects are getting the \$20 million, in broad strokes, so that we can hone in on where this money is going.

Hon. Mr. Harrison: — Well I think, Mr. Chair, these projects were . . . I can actually, I'll have some of my officials maybe add some additional comment on this. But I think it's hard to ascribe this to any particular project because you have 145 projects that have been approved that are eligible to incur expenses. You could end up with . . . We didn't say, well this project is going to incur exactly \$200,000 of expenditure this year, and it's actually 400,000. That's not the way the ministry accounts for these projects.

So it'd be very difficult to say, well the extra money is going to this project, or the extra money's going to that project because there's never been any timeline put on when the municipalities have to do stuff. As a provincial government, we're not

dictating to municipalities timelines for the completion of their projects.

So if they move forward quickly on a project in, you know, Dundurn or some other locale, well that's great. But I mean it wasn't kind of planned that, well Dundurn is going to incur, you know, \$100,000 of expense this year. So I think it would be pretty difficult to say that this extra 20 million is going to these three projects because that's not how the program was set up. And I don't know if you want make any additional comments, Kyle or Wanda, on that.

Mr. Toffan: — I can add a few additional ones. There are some very big projects, and the minister is correct that the 20 million is not dedicated to any individual project or projects. But what I'd add is that there's several projects that we anticipate will incur costs this year. There's some very big ones, such as Dundurn as the minister spoke to, and Estevan, Melville, Yorkton, Prince Albert — those types of really big projects.

Further to that, there are 94 other projects that have funding agreements with the province that are expected to incur capital costs this year. So there's not individual projects dedicated to the \$20 million. But as a program, on a program basis, we need another \$20 million, and that's our estimate to ensure the province meets cash flow obligations through agreements.

The Chair: — Excuse me. Could I get you to identify yourself for Hansard, please?

Mr. Toffan: — Sure. I'm Kyle Toffan. I'm a director in Municipal Affairs.

Mr. Trew: — Thanks, Mr. Chair. So now I'm really at a loss because I thought we had a budget presented in the spring that called for a certain amount of money to be allocated to the Ministry of Municipal Affairs to take care of these very projects. And now, Mr. Chair, we're being told that, well there's \$20 million in overexpenditures. We're really not sure where; we're really not sure how it came about; and we really have no confidence that the 20 million is the amount.

How can any legislator, Mr. Chair, rubber-stamp that? The ministry was wrong by \$20 million by definition. We wouldn't be here with the ministry asking for 20 million more dollars if they weren't wrong. I'm simply looking, Mr. Chair, on behalf of the taxpayers of Saskatchewan, for some explanation.

How in the world did you budget in the first place? And how could you get it so wrong? And now — now — you have the audacity to say, but give us 20 million, and oh well, maybe it's going to be 40 million or some other number. How does that work?

Hon. Mr. Harrison: — Mr. Chair, I think the member might want to just calm down a little bit here. The way that this works, Mr. Chair, and I've tried to explain this to that member, and he obviously wasn't listening or didn't comprehend, but there is . . . The reason that the additional costs were incurred, Mr. Speaker, is because additional work was done largely as a result of weather conditions which allowed additional work to be done. So if that member can predict the weather, you know, six, eight months in advance, I don't know why he's sitting here

because he could be getting rich someplace else.

Mr. Trew: — So, Mr. Chair, again I say, what additional work? What additional work? There was questions asked earlier about, should this money have been budgeted next year? The way I understood the minister's answer, Mr. Chair, was this money has been allocated, some this year, next year, and over a relatively small number of years.

Did I understand that it ends in 2012, Minister? I just want to get that straight in my mind. Is that when this program is scheduled, the money is expected to be finally spent? Is that the year?

Hon. Mr. Harrison: — Mr. Chair, no. The member misunderstood that. It's 2013-2014, which was said repeatedly in the earlier part of the evening.

Mr. Trew: — Thank you. I had 2013 written down, and I couldn't believe that we would be talking a program that goes that far out. But 2013-14 is the year that this winds down. What happens if expenditures have not been completed by municipalities? Of the approved projects, you have 145 projects approved. Let's say that three municipalities for — can be very good reason — don't complete their project. What happens then, Minister?

Hon. Mr. Harrison: — As I had indicated earlier, Mr. Chair, if communities or municipalities decide not to go ahead with their project, and it happens. It's happened with the Municipal Rural Infrastructure Fund program. It's happened with other infrastructure programs where'd be a change in the local administration or a change in circumstance whereby the municipality decides not to go ahead. Then you have a situation where those funds will then be reallocated to other projects.

Mr. Trew: — Thank you, Minister. So the money will not be lost. I'll take that as a given. Now you've indicated that because of weather we've gotten projects advanced. Twenty million dollars isn't just a sniff out of a program that the provincial share was a hundred and thirteen and a half million dollars, the federal share a hundred and thirteen and a half million dollars in relatively round numbers, and the municipal share is that as well, because the minister explained one-third, one-third, one-third funding from the three levels of government. The total cost of this project between its inception and 2013-14 is a hundred and thirteen and a half million dollars to the province.

Hon. Mr. Harrison: — Mr. Chair, this has been a very successful program, and we've had a situation where municipalities have moved aggressively. They've moved very quickly. We've had some luck in terms of the weather, in terms of these projects being able to move forward.

And I think I'm hearing the member suggesting that municipalities shouldn't be moving ahead aggressively with their projects. And if that is what he is suggesting, I would take issue with that, Mr. Chair. I think that we shouldn't be telling municipalities that no, you shouldn't be moving ahead quickly with your waste water project. You shouldn't be moving aggressively ahead with your water project. And I would really hope that that's not the position of the NDP [New Democratic Party] and what they would be telling municipalities if they

were to be in government.

Mr. Trew: — Mr. Chair, I thought I was done, but I'm not. I'm not. I've many, many questions to ask of this minister. Our job in opposition is to ask how it is that you got the budget out by \$1 billion, \$1 billion — a billion dollar deficit this year alone. And we are not going to be satisfied without having some answers, Mr. Chair.

[20:00]

We need to know, how is it that this is out \$20 million? How is it this project, this program needs 20 million more? Well we've had nice weather. That's great. But so far you haven't been able to identify the programs that the money was allocated for, let alone the programs that caused the overexpenditure.

We're being in essence asked to approve one hundred and thirteen and a half million provincial dollars without asking any meaningful questions about it. And that's just not acceptable.

Hon. Mr. Harrison: — Well no. As I indicated earlier, Mr. Chair, the program has been successful, and we have had municipalities moving aggressively forward on their projects. We've had a situation whereby they've had the opportunity to move forward with their projects. Of course in a lot of cases these have been very long-awaited projects and very, very needed upgrades, repairs, and new construction which had been deferred for a very long time into the past, Mr. Chair. So they were obviously anxious to move ahead quickly.

Also I'm going to ask Van — Deputy Minister Van Isman — to give some details with regard to the polling that we had done as a ministry with regard to the progress of these projects in able to make that determination as to the number that we would be asking for because it's going to be dependent on how much work gets done.

And we had polled a good number of municipalities, Mr. Chair, asking them, you know, where are you at? Have you got your concrete poured? And where do you see yourself six or eight months from now with regard to this particular project and in terms of where your costs are going to be? I probably just gave the answer Van was going to give. Yes, I'll let Van add some additional thoughts as well.

Mr. Isman: — Thank you. Van Isman. Through the course of arriving at a projection as to where we would end up on this particular program to the end of the current fiscal year, one of the things that we did is we actually telephoned out to all of the municipalities that were involved with the projects. We wanted to know how things were progressing and where did they see themselves and how far did they see their projects along to March 31st of 2010, so that we would have a reasonably good basis in order to project expenditures to the end of year. And that's what this number is based on.

We were not successful in getting hold of all 145 projects of all the municipalities, but what we did is we certainly pursued a lot of the larger ones. And we spoke to a lot of those municipalities to try and ascertain a bit of a projection here in terms of how far along were they and where did they see themselves at March 31st. In other words, where were they tendering now? What work was

being contemplated in the immediate short term? It was based on that information that we arrived at the amount of cash flow that would be required to be expended during the current fiscal year. You've heard about the limitations to the program. Overall this is just pegging it down for how much would take place by March 31 of 2010.

Mr. Trew: — Thank you, Mr. Isman. That's a much more acceptable answer than what I got. That makes some sense.

I have a question around the environment. Are there any of these projects, Minister, Mr. Chair, any projects that required an environmental assessment?

Hon. Mr. Harrison: — Yes. I would like to thank the member for that question. All of these projects, all 145 projects required an environmental review. And the federal Department of the Environment conducted the review and would make a recommendation as to whether particular projects would then be subject to a full-blown environmental assessment or whether they could go forward on the basis of the review conducted by the federal Department of the Environment.

Mr. Trew: — Thank you, Minister, Mr. Chair. Is that a change from the way these projects would have typically happened in previous years before this program was initiated?

Hon. Mr. Harrison: — Okay. Thank you, Mr. Chair. It's a good question from the member. In projects or programs that had preceded the Building Canada fund-communities component and the stimulus infrastructure programs, MRIF as an example, there had been a requirement where provincial regulations dictated that there generally wasn't an environmental assessment because the projects were small in nature. The federal government, though, had required an environmental assessment on any project that would have been conducted under MRIF.

What I would note is that actually at the recent Council of the Federation meeting, the premiers unanimously requested that the federal government keep the current standard in place as implemented in this program and others, whereby there would be a review and assessment only when the federal Environment ministry indicated that the review . . . in reviewing the review that there was indeed a need for that, including the Premier of Nova Scotia.

Mr. Trew: — Thank you, Minister, Mr. Chair. It leads me to what I'm hoping is the last question on this line, and that is, were any of the projects held up or rushed through because of the environmental assessment? Was there any significant change in the timeline of a program because of any concerns or problems with the environmental review?

Hon. Mr. Harrison: — Yes. No, I thank the member — a good question. There are some projects that are subject to the kind of big environmental assessment. Generally projects that have to do with wells, and we've seen some of those like the RM [rural municipality] of Monet which is a big major project in that regard. So I think it would be safe to say though, Mr. Chair, that the outlines of the program were such that it was not unexpected that there would be an environmental assessment done, particularly when you're getting into kind of groundwater

sort of issues, and I think it's probably appropriate that there is.

Mr. Trew: — Thank you, Minister. Thank you, Mr. Chair. That ends my portion of the questioning for now.

The Chair: — Did you have some more questions, Ms. Higgins?

Ms. Higgins: — Thank you. Mr. Minister, when we look at the vote 30 and you had said earlier that of the 20.8 million, 10 million of that would be reimbursed by the federal government once the projects are complete.

Hon. Mr. Harrison: — I'm sorry. Maybe I'll have Wanda . . . Do you want to maybe speak to that?

Ms. Lamberti: — Certainly. Wanda Lamberti. So of the total BCF expenditure this year, we anticipate receiving an additional \$15 million in revenue. The \$10 million is net of the entire revenue budget or forecast.

Ms. Higgins: — So then in the original vote 30 in the budget as it was actually presented in March of this year, there was \$20 million that was designated to Building Canada fund-communities component. That represents all provincial commitment, I would assume.

Ms. Lamberti: — The \$20 million?

Ms. Higgins: — Yes.

Ms. Lamberti: — That represents both the federal and the provincial components.

Ms. Higgins: — No, the original budget in March is what I'm referring to. That is half and half also?

Ms. Lamberti: — That's correct.

Ms. Higgins: — Okay. So we're looking at half and half done in the federal budget. And previous year '08-09 of 5 million, was that half and half also?

Ms. Lamberti: — That's correct.

Ms. Higgins: — Okay. When we're here asking for an additional \$20 million, I am actually surprised that you can't account for which projects there is an expectation of increased cost beyond what the projections were, being as they are all infrastructure projects and have, I would think, a fairly standard construction schedule — and that there wouldn't be a way to lay that out a little more clearly.

Hon. Mr. Harrison: — Yes. Thank you, Mr. Chair. And thank you to the member for that question. And it's a similar question to the one asked by the member from Regina Coronation Park, and I'll give a similar answer, and maybe have Kyle make some additional comments with regard to specific projects. But it is a difficult thing to point to any particular part. There are some that we know will incur costs that are significant, but when we lay these projects out, we're not saying to the municipality, we expect you to have, you know, \$200,000 of this project done by this date.

We're entering into a contribution agreement with the municipality with the expectation that they are going to be moving ahead on their own time schedule for these projects. So if they decide to tender today, that's fine. If they decide to tender six months from now, for whatever reason that they see it as being the proper decision, it is their decision.

So it's very difficult to say with precision, you know, this project is going to incur this amount, but it's actually incurred more because more work's been done. Because we're not the ones setting the timelines. It's up to the municipalities to set the timelines for when they are going to be moving forward on projects.

So what's ended happening is that municipalities have made good progress on projects across the province. And it's hard to point to any particular ones; I mean, some are more advanced than others. But it is up to the individual municipalities to determine the pace at which they move forward. So, you know, as I indicated it's hard to . . . We're not the ones, you know, setting predictions or telling them when they have to have certain benchmarks met or anything of that nature.

But that being said, I maybe will have Kyle make a few comments about projects that have been very successful in moving quickly.

[20:15]

Mr. Toffan: — Thanks. Kyle Toffan. The communities . . . Some of the big projects are projects in Dundurn, Estevan, Melville, Yorkton, and Prince Albert. These projects would have a major impact on our program if they did proceed along their schedule. They have indicated to us over the phone that they are proceeding with their projects and doing construction this fiscal year. The total amount of funding provided to these projects is 74 million, so a large portion of the program in total.

In addition to that, there's 94 other funding agreements that are under construction right now with their projects, and a lot of them will be incurring significant costs. So as the minister said, it's hard to put a project or projects to the \$20 million. But as a program basis, \$20 million is the estimate based on phone calls to every single community with a project.

Hon. Mr. Harrison: — And if I can add additional comments. Kyle's right. When you have an extended construction season as well, you have the opportunity to get more work done. And a lot of municipalities have taken full advantage of that additional, the additional good weather and ability to move on projects.

You know, even look at a project — I was driving to the legislature here today down Lewvan and you see work being done on a water infrastructure project near the airport. You know, if we had, you know, 3 feet of snow on the ground, they probably wouldn't be making the same sort of progress that they are on that project right now. I mean it just has to do with the vagaries of weather and it has to do with the fact that it is difficult . . . It is up to the municipalities to determine how aggressively they're going to move.

Ms. Higgins: — Well the minister is I mean 100 per cent

accurate when you say municipalities could tender a week ago; they could tender six months from now. But the whole idea of having a tender is knowing timelines and dollar value to what that portion of the project will be.

So I mean it may be a frustration for you, but it's also a frustration for us that — \$20 million — you can't break it down to say where it's going. Or, you know, you can give us a general kind of potluck answer, will go to somewhere in the 145 projects, for what you don't know because you don't keep tabs that tightly. You don't set the timelines or the benchmarks for the projects that are out there; you are just offering the funding.

Well and I think you also said you can't put the — and I'm trying to think how you worded it — you can't put projects to the 20 million. Then how do you know 20 million is enough?

Hon. Mr. Harrison: — Thank you, Mr. Chair. As Van had indicated in his answer and I had alluded to as well, we've been talking to the municipalities that have these projects under way in terms of asking, where are you at right now, where are you going to be March 31, 2010 with your project, or where do you expect to be with that. And on that basis, have decided that \$20.8 million is the proper number to bring to this committee.

That being said, it's pretty difficult to say with absolute precision. Although I'll tell you the ministry has been very, very accurate in past years with regard to predicting where projects are going to be at. And we feel this is the appropriate number. But that being said, you know, less work might get done. I suspect there's probably not going to be a whole lot more work done than this, but it is largely . . . If we have another run of great weather, there could be additional work completed and vice versa.

Ms. Higgins: — So what we're dealing with here is mid-term report, or supplementary estimates really which are at mid-term, which is up until September. We're now in November, just about December, and it has been pretty nice weather up until now with — I mean as the minister just said — lots of construction projects ongoing. Is this enough or too much to do you to March 31st?

Hon. Mr. Harrison: — Well this is based on the information provided by municipalities and by our wonderful officials in the ministry. Maybe, Kyle, if you want to maybe speak to a few more details about that, the process in terms of how we've, you know, the canvassing done of the municipalities to get their input on where they are.

Mr. Toffan: — Sure. Basically in the federal-provincial agreements, we're mandated to do reporting. We do this typically quarterly. And we also are obligated through financial rules of the province to set up accruals on how much funding has actually been expensed on projects.

So through that reporting requirement, we do call every single municipality and ask them, as the minister alluded to, where's your project currently, has it been tendered, has it started construction, and what amount of funding are you anticipating to spend by the end of the fiscal year.

So with those figures . . . We compile those, gather them and compile them and get a ballpark number basically. We know it's not perfect, but we do ask municipalities to give us the best estimate possible. And history has shown that they do that.

Hon. Mr. Harrison: — If I could just add a comment as well, Mr. Chair. Thanks, Kyle, for that. In terms of the projects themselves, I wanted to put on the record — at the risk of being heckled by my own colleagues — that on a per capita basis, NDP ridings actually did better than Saskatchewan Party ridings in terms of the allocation of these funds.

Ms. Higgins: — I was waiting for some heckling, but I didn't hear any. Well I mean I would hope that the minister would look at these projects to go where they are needed. And I'm a little surprised that you would even take note of the fact whether they were in NDP or Sask Party constituencies. But maybe that's something I need to sharpen up on my politics.

So then you can say . . . I mean are you comfortable saying 20 million's enough? I mean that's, I guess, the question I have. If you're doing this . . . And I understand that municipalities are going with the weather, and they're going with when the work can be done, who's available, who isn't. And some of these are fairly substantial projects by the looks of them.

But I'll tell you what. I'm still struggling with the idea that we can't break down \$20 million to say approximately where it's going. I mean we're not even looking for details. We're looking for a bit of a breakdown. And when we see some of the issues that were raised in the mid-term financial, 20 million might not seem like an awful lot when you've got a deficit of 1 billion and revenues of over \$9 billion. But to many people across the province of Saskatchewan, 20 million is a lot of dollars. It's a huge amount of money.

And this government has spoken many times — well not lately, but in the beginning of your term — of being open and transparent and spoke of accountability. So to sit here and say, well we think 20 million; that's about what we need to see us through to the end of the fiscal year. Well it's a nice round number, but it would be nice to have a little more detail on what specifically it's going to, other than just a program.

Hon. Mr. Harrison: — Mr. Chair, we've tried to explain this now about three times. The way the . . . It's up to the municipalities to determine how they wish to proceed on any particular project. We approve the projects in conjunction with the federal government. We then enter into a contribution agreement with the municipalities, and at that point the municipalities have it within their own discretion as to how they want to move forward. So if municipality A, B, or C decide to wait six months, that's perfectly acceptable. That's their decision to make as to how they want to move forward on the tendering process.

It's not for the provincial government to be dictating to municipalities how to carry out their own project. I think the municipalities are in a much better position to make those determinations than our officials in Regina. So therefore it's up to them. It's not up to us when these costs are going to be incurred.

And this program has been successful, Mr. Chair, in that municipalities have moved aggressively and have completed a significant amount of work and are projecting to be done a significant amount of work more by March 31, 2010. So I think that's a good news story, but as I indicated, Mr. Chair, it's not up to the provincial government to be dictating timelines to the municipalities with regard to how they move forward on these projects in the context of contribution agreements that they've entered into with the provincial government.

Ms. Higgins: — I don't think it's up to the provincial government to set timelines. That's not at all what I was implying. But it is a responsibility of the Ministry of Municipal Affairs, when you are flowing through the dollars, both federal and provincial, that you are able to account for those dollars and how they flow out of the department. I guess that's the issue. I understand how you do it. I understand why you do it. But I am at a loss to understand why you cannot further clarify or clarify at all how the 20 million was calculated and how accurate you believe it is.

And I mean you don't have to name names. I mean you could say a portion that goes to infrastructure projects or water projects. It could be a variety of things because many of the projects are directly related to whether or not the weather will allow them to move ahead. But you do have the responsibility for the accountability of the process, I mean, and that's the frustration on our end. Mr. Minister, we'll leave that alone because I don't think we're going to get an answer that quite suits all of us anyway.

When we look at the federal-provincial agreements, and especially when we look at the Building Canada fund and the various components that go with it and you talk about meeting and matching the programs that are done in partnership with the federal government, who would be involved in negotiating these projects and programs and establishing how they work?

Hon. Mr. Harrison: — Mr. Chair, the Building Canada fund agreement was negotiated before my time as minister, and perhaps I'll have our officials speak to the details of the negotiation. But it's fair to say that the officials had worked on this with dedication and come up with an agreement that was agreeable to both levels of government. And I'm not sure, Van, if you want to speak to that or one of our other officials do?

Yes. Thank you, Mr. Chair. The Intergovernmental Affairs ministry was very involved in the negotiation of the Building Canada plan. And I think they'd be in a better position to, the Minister of Intergovernmental Affairs would be in a better position to address that question.

Ms. Higgins: — So then you must know though, the department must be somewhat involved and be able to offer some areas that they have of concern or areas that they would like to see. Because the ministry has a great deal of experience across the province, knows what many of the needs are out there and are probably in many cases a good clearing house for what needs to be done in the province.

So I guess I was just wondering, does the Ministry of Municipal Affairs, would they have input into what Intergovernmental would have taken along to the federal government or been able

to make some points that are really important to the ministry?

Mr. Toffan: — Sure. I'll just speak a little bit to, I think it's a two-part question. One is about the agreement, and one is about the selection of projects. So when the agreement was being developed, officials in both the Ministry of Municipal Affairs, Intergovernmental Affairs, and Infrastructure Canada worked together to try to determine what had worked in the past under previous programs such as MRIF and CSIP and what didn't work so well. So basically the agreement was the product of those discussions. So I think, you know, the agreement's been working quite well so far for communities.

On the other issue, I think the selection of projects, we do have a very formal adjudication process for projects that involves both the Ministry of Municipal Affairs and Western Economic Diversification, which in this program acts on behalf of Infrastructure Canada. That adjudication process took several months under these programs due to the volume of applications. So that's two, I guess the two issues that I wanted to touch on.

[20:30]

Ms. Higgins: — So who would be responsible for adjudicating the various projects? Because I mean there is an awful lot of them.

Mr. Toffan: — We do have program advisors on the program. In addition to that, we have an engineer on staff that does look at each file in quite a bit of detail to determine whether it's a sound technology that's being used — if it's a water project or a waste water project or whether the road's anticipated to be built to standard, that type of thing. Also Western Economic Diversification did hire an engineer as well to do the same thing. So we had two teams going at the same time in the interest of timing.

Ms. Higgins: — So when the projects are complete, because I noticed in the list there are a number that are complete already, according to the list it says . . . [inaudible] . . . 100 per cent on a number of them. Would they be checked after for making sure the standards were maintained? Are you assuming that the municipality looks after that end of it and that the project is fine? Or is there any follow-up that's done, or no?

Mr. Toffan: — In the contract, the funding agreement with the municipality, it's their responsibility. And they do have an engineer that's hired for the project, typically speaking. I think probably 95 per cent of all projects have an engineer that's hired to look and see and make sure that the project was constructed to provincial and federal regulations.

Ms. Higgins: — One of my colleagues, we were just discussing a couple odds and ends here that I've missed. Do the feds in these partnership agreements cover the administration cost of the individual projects, and also the provincial government or the ministry?

Mr. Toffan: — The administration costs of the actual projects is not an eligible cost. In the agreement it states that any administration is the municipal responsibility, so we're basically funding the infrastructure project. As far as the provincial perspective goes, the administration costs are cost shared 50/50.

So 50 per cent federal and 50 per provincial.

Ms. Higgins: — So did administration costs be much the same as the projects themselves, that the money would have to be fronted by the provincial government and then reimbursed by the feds?

Mr. Toffan: — That's correct.

Ms. Higgins: — Yes, okay. Is any of the money at all in federal partnerships contributed up front by the federal government, or no?

Mr. Toffan: — Not under the Building Canada fund-communities component. There are other programs where there are stipulations that there's a requirement to cash flow a certain percentage so that the municipality can start their project quicker because there's usually delays on financing, as you can imagine.

Ms. Higgins: — In the Building Canada fund-communities component, have you run into any areas where the municipalities have had any problems or issues with raising their one-third of the project? Because some of them are pretty substantial projects. I mean you even commented yourself on a couple of them being quite large. And I mean, I'm sitting here looking at one right now that's about 14 million, some around 10, and that's just a quick glance at page 1.

Mr. Toffan: — The issue of financing is dealt with for small municipalities by the Saskatchewan Municipal Board. So when they review applications for borrowing, they determine whether it's an issue or not. We haven't run into any serious issues to date on Building Canada fund, although there likely will be a small percentage of municipalities that do have an issue with borrowing. And Saskatchewan Municipal Board will be working with them to either reduce the scope of their project or raise the water rates to kind of make up the difference. And there's different tools that Saskatchewan Municipal Board has to do that.

Ms. Higgins: — Yes. So I guess my final question is really to the minister. While the Building Canada fund has been I think very good for many communities, and we've commented on the outstanding number of projects that were not approved for one reason or another, but I think it was 374 from the second intake of BCF-CC that were not approved. And when we look at the size of some of these projects, I'm sure it's a boost to the municipalities and the various regions of the province, but do you ever have concerns about the amount of borrowing that the municipalities may have to do to put forward their portion? Or I mean is it just expected that it's good and it will pay off in the long run? Or is there, you know, a few concerns that we need to have an eye and make sure that it's working well?

Hon. Mr. Harrison: — Yes, I think that's a good question. I do at times have concerns about the borrowing that municipalities are having to engage in. But that being said, I think any one of them would say we'd rather be going down the path of funding one-third of a project than 100 per cent of a project. And you know, that being said, I think it's a valid point that the member raises.

Ms. Higgins: — Thank you very much to the minister and to his officials. At this point in time, I don't believe there are any other questions. But still if you happen to see your way clear,

we'd love to see a more definite breakdown of the 20 million. And gee, I'm sure we'll broach this topic again. But anyway, thank you very much for being available. And thank you very much for answering questions.

Hon. Mr. Harrison: — And thank you to the member and other members who had questions. And my jaw survived, Mr. Chair.

The Chair: — Well congratulations on that. Thank you, Mr. Minister. And thank you, committee. In consideration of vote 30, the Municipal Affairs, the municipal financial assistance subvote (MA07) in the amount of 20,831,000. Is that agreed?

Some Hon. Members: — Agreed.

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

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2010, the following sum for the Municipal Affairs in the amount of 20,831,000.

Is that agreed? Does somebody want to . . .

Mr. Brkich: — Agreed. And I so move.

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

Some Hon. Members: — Agreed.

[Vote 30 agreed to.]

The Chair: — Thank you. Thank you committee members and thank you, Mr. Minister, again. And we will recess until 9 p.m. when we will have another committee. This committee now stands recessed.

[The committee recessed for a period of time.]

[21:00]

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

Subvote (FN03)

The Chair: — With this being the hour of 9 o'clock, this being the hour of 9 o'clock, we will call this committee to order. And I would welcome the committee members back. And, Mr. Minister, if you would like to introduce yourself and the authorities in the ministry, and if you want to make a statement at that time, you're certainly welcome to do so.

Hon. Mr. Hutchinson: — Certainly. Thank you very much, Mr. Chair. And we're delighted to be here and address members of the committee.

We have with us Mr. Ron Crowe, deputy minister; Mr. James Froh who's the assistant deputy minister; and on my left, your right, Mr. Kerry Gray who's the director of finance and

corporate services.

We're going to be talking about revenue proceeds from the Saskatchewan Gaming Corporation. The gaming framework agreement put into place by the previous government mandates that portions of the Saskatchewan Gaming Corporation revenues be distributed to First Nations Trust and the Métis Development Fund, or Clarence Campeau as it is more commonly called.

The gaming framework agreement currently requires revenue sharing in the following fashion. First, profit generated by the Saskatchewan Gaming Corporation or SGC is distributed 50 per cent to the General Revenue Fund, 25 per cent to the First Nations Trust, and 25 per cent to Community Initiatives Fund which is ministered by the Ministry of Tourism, Parks, Culture and Sport, including \$2 million for the Métis Development Fund itself, as we mentioned before. Profit generated by the Saskatchewan Indian Gaming Authority, or SIGA for short, is as follows: 25 per cent goes to the General Revenue Fund, 50 per cent to the First Nations Trust, and 25 per cent to the community development corporations.

Now by way of background and a little bit of explanation, Mr. Chair, in 2008-2009, in that fiscal year, approximately \$14.8 million was distributed to five community development corporations and 44.4 million was distributed to the First Nations Trust. And that does not include the 2007-2008 fiscal year reconciliation payments.

The First Nations Trust distributes funding it receives to all Saskatchewan First Nations. This is pro-rated based on population statistics. As per the gaming framework agreement, the trust must ensure that the beneficiary First Nations use the money received in defined areas such as economic development, social programs, justice initiatives, education, senior programs, youth programs, and health issues.

CDCs [community development corporation] make payments to community organizations surrounding each casino whereas the FNT [First Nations Trust] distributes funds to bands based on population distribution. These funds can be used for a variety of purposes including economic development and social development, justice initiatives, educational development, recreation facilities operation and development, senior and youth programs, cultural development, community infrastructure development and maintenance, health initiatives, and other charitable purposes.

Tonight we're here to ensure that there's positive financial support continues flowing to First Nations and the entities through casino profits because it provides substantial support for First Nations and non-First Nations community-based organizations, along with the projects that they work to enhance.

The money paid out to benefiting entities is provided on a quarterly basis according to estimates calculated on past revenue performance. Once a year, we carry out a reconciliation using audited results from the most recent quarters and use them to adjust the estimated figures. Simply put, the latest audit shows that actual gaming revenues exceeded expectations, and SGC is therefore obligated to make up the difference.

At this point I will turn the microphone over Mr. Gray for a more complete explanation of the financial details. Thank you, Mr. Chair.

Mr. Gray: — Thank you, Minister. It's Kerry Gray, director of finance for FNMR [First Nations and Métis Relations].

As the minister has indicated, we're here because of reconciliation payments that are due to the First Nations Trust and community development corporations. And based on audited results compared to actual payments last year, this amount would be \$5.4 million. However we're here today asking for 1.7 million, as the 5.4 million has been reduced as a result of a reduction of \$3 million in the current year's revised forecast for gaming revenues and a reduction of 700,000 by which we found that we had the flexibility within our current budget to make up the shortfall.

The Chair: — Thank you. As we get into questions, we are discussing the supplementary estimates for the First Nations and Métis Relations vote no. 25, the gaming agreements for First Nations gaming agreements in the amount of \$1,700,000. Is there questions from the committee? Mr. McCall.

Mr. McCall: — Thank you, Mr. Chair. First off, welcome to the minister and his officials. If you could, please pass along the condolences of the opposition to John Reid and his family at this hard time.

I guess getting right into the business of the supplementary estimates, I was wondering if Mr. Gray could go back over the information that he had provided to the committee, just to make sure that we understand it in full.

Mr. Gray: — In total we're asking for supplementary estimates of \$1.7 million. This is made up of 5.4 million, which is the difference between what was actually paid to the CDCs at First Nations Trust last fiscal year compared to their audited financial statements. And then this \$5.4 million is being reduced by \$3 million because of the current year reduction in forecast, and further reduced by 700,000 because of monies that we found flexibility with in our current budget already approved.

Mr. McCall: — So again if I'm to understand correctly, the revenues have come in under forecast?

Mr. Gray: — The revenues for the current fiscal year, the new revised forecast is a reduction of \$3 million in terms of payments to the First Nations Trust and CDC, yes.

Mr. McCall: — Okay. Perhaps if you could take me through the mechanics of where that summarizes from. Is that from the SGC side and then flowing into a common pool to go from there into the First Nations Trust? Or is that in terms of what the deal was projecting that SIGA would be making? I guess, whose profits generated that amount?

Mr. Gray: — The reduction in revenues is mainly result of reduced revenues on the SIGA side, specifically to the Living Sky Casino in Swift Current.

Mr. McCall: — So entirely, or just a percentage that you might be able to provide us with?

Mr. Gray: — Some of the casinos were a little higher; some were a little less. But the vast majority of the reduction is related to Living Sky Casino.

Mr. McCall: — Is there any thought as to what that might be attributed to?

Mr. Gray: — I believe the Sask Liquor and Gaming minister could answer that better than I could. My understanding is that their budget was in line in terms of number of visitors that are attending the facility, but that the spend per individual is down from what was actually budgeted.

Mr. McCall: — Okay. In terms of historically the reconciliation payments, last year certainly was a banner year for a substantial reconciliation payment. Given your familiarity with the agreement over time, what has been the experience year to year in terms of reconciliation payments? Is it usually on the order of about the 1.7 million that we're considering here tonight, or more on the order of last year which I'm doubting because that came after the, you know, the first full year of the deal? What's the historic sort of experience with reconciliation, I guess, just going back to the 2002 gaming framework?

Mr. Gray: — Yes. My experience with the file goes back three and a half years, so I could only really speak to that. And in that experience, as you indicated, last year was an exceptional year, both just from base revenue growth and because of changes within the actual gaming agreement which created additional payments.

The budgets historically have been sort of on the modest side so that when we've come to this time of year reconciliation payment, we've appeared I believe annually looking for additional funds to make this reconciliation payment. 1.7 is probably one of the lower amounts that we've been asked for or have requested.

Mr. McCall: — Okay. In terms of the funds flowing from the gaming framework into the CDCs, are there any of the CDCs that are in arrears right now, or they have a payment still to come? And I guess to back up even further, my understanding of the payments that flow out of the agreement, they're done on a quarterly basis. Is that correct?

Mr. Gray: — We're not withholding any with any quarterly payments at this point. All of the quarterly payments, the first and second quarterly payments have been made to all of the CDCs.

Mr. McCall: — So everything is up to date in terms of the funds that flow under the agreement.

Mr. Gray: — Right. Yes.

Mr. McCall: — Okay. In terms of the concerns that were raised in volume 3 of the 2008 Provincial Auditor's report around proper accounting on the part of the CDCs, have those all been addressed at this time, are you aware?

Mr. Gray: — I believe that any concerns related to the CDCs' reporting requirements have been addressed.

Mr. McCall: — Okay. In terms of the situation around the Battlefords Agency Tribal Council and Gold Eagle Casino CDC, that is now fully transitioned out, and they're on a path equivalent to the other CDCs and other casinos?

Mr. Gray: — With the new agreement or amendments to the agreement that were signed in 2007, Gold Eagle CDC was replaced as the host tribal council by Battlefords Agency Tribal Chiefs as the new host tribal council. And within the agreement, there was an amount held until an agreement could be reached between the Government of Saskatchewan and the FSIN [Federation of Saskatchewan Indian Nations] as to how that money would be distributed. Those monies are still being held in trust, as no agreement on those funds has been reached.

Mr. McCall: — What is the sum of those monies for the record?

Mr. Gray: — It's close to 1 million dollars. It's right in the 980, \$990,000.

Mr. McCall: — Okay. What is state of play of those negotiations?

Mr. Gray: — The local tribal councils in Battleford have recently put together some proposals. My understanding is that those proposals were not agreeable to all parties. And so we continue to hope that they come to an agreement and that the funds can flow, but to this point there doesn't appear to be an agreement.

Mr. McCall: — Okay. In terms of negotiations that are attached to the gaming agreements overall, there was an undertaking in the 2007 signing, in terms of the province going shoulder to shoulder with First Nations, to assume jurisdiction over First Nations gaming in terms of the work that needed to be done with the federal government. What is the state of those negotiations? Where are they at right now?

Mr. Gray: — That particular piece of the file is being led by officials at SLGA [Saskatchewan Liquor and Gaming Authority], and so I can't really answer your question with any . . .

Mr. McCall: — Is there involvement on the part of First Nations and Métis Relations though in those negotiations?

Mr. Gray: — We would under normal course of business be kept informed in terms of any progress that's being made. I haven't received any recent communications on that particular piece of the file.

Mr. McCall: — Okay. In terms of the next set of negotiations as per in the five-year, has First Nations and Métis Relations, have you been doing any spade work in that regard to get ready for the next round?

Mr. Gray: — Very preliminary casual talks, but no formal plans or no formal memos have been put forward. We've had some casual talks in terms of what areas might be under discussion.

Mr. McCall: — Who will all be on the team — First Nations, Métis Relations, SLGA? Who else out of government?

Mr. Gray: — Historically that has been the team: members from both SLGA and First Nations, Métis Relations for the government side on the negotiations.

Mr. McCall: — Okay. In terms of impacts on the funds that flow to the First Nations Trust and forward from the gaming framework agreement, for the fiscal year to date, what has flowed from the Sask Gaming Corporation into the equation?

And again I'm not trying to be dense here, but in terms of the funds flowing — I'm just succeeding, I think as one of my colleagues said — in terms of the funds flowing backwards and forwards from the SIGA side or from the Sask Gaming Corp side, I was wondering if you could refresh my memory on what's flowing into the agreement from the Sask Gaming Corp side.

Mr. Gray: — To the First Nations Trust?

Mr. McCall: — To the First Nations Trust or into consideration for today's purposes.

Mr. Gray: — Are you asking dollar amounts or percentages?

Mr. McCall: — Dollar amount.

Mr. Gray: — Out of the current year budget?

Mr. McCall: — Yes.

Mr. Gray: — In the current year budget, which was 68.53 million, out of that, 49,875,500 was budgeted for First Nations Trust and 16,664,200 was budgeted for community development corporations. Of the 49,875,500 for First Nations Trust, SIGA share of that or contribution to that was budgeted at 34.675 million, and SGC's contribution was 12,450,500. And then there's some additional amounts that come off the top: two hundred and fifty for jurisdictional issues, two hundred and fifty for additional gaming activities, and 2.25 million for First Nation addiction rehabilitation fund.

Mr. McCall: — And again, in terms of SGC's interaction or the role that it plays in the gaming deal, if there's an impact on Sask Gaming Corp's revenues, then that impacts the gaming framework agreement. Would that be a fair statement?

Mr. Gray: — Would it impact the gaming agreement? It would impact the distribution of profits.

Mr. McCall: — So the other day in the legislature the minister ruled out there being any sort of a for sale sign attached to Casinos Regina and Moose Jaw, which provide the lion's share of profits for the Sask Gaming Corp. But there was some further consideration of how Sask Gaming Corp might play a role in the funding of a domed stadium in Regina.

Now in terms of the impact that that would have on the revenues flowing from Sask Gaming Corp into something like the First Nations Trust Fund, I don't think it's unreasonable to think that that would have an impact. And I guess my concern is

not so much on the impact right now but I'm wondering if there's been any consideration or discussion with First Nations around that eventuality.

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Well it's entirely hypothetical and as far as I can see it goes beyond the bounds of tonight's discussion. There's probably a better venue and a better time to consider such hypothetical ideas.

The Chair: — If you could restrict your questions to the estimates, please.

Mr. McCall: — One of the main reasons I ask is, I guess, if I could put it to the minister: again we're here considering supplementary estimates in terms of dollars that flow to First Nations under the gaming agreement that was signed in June of 2007 by the then NDP government. And but for dollars flowing from the gaming agreement, over the past year and a half or over the past two budgets, the Department of First Nations and Métis Relations, but for gaming dollars, has sustained a \$1.2 million cut thereabouts.

So in terms of gaming dollars being the main source of new initiative coming out of this department for First Nations, let alone the Métis Development Fund or Clarence Campeau being flatlined at \$2 million for the past number of years, we're interested to get a better picture on what things might be impacting the ability of dollars to flow from the gaming agreement to First Nations.

So if the minister doesn't want to answer that question, it's certainly on him. But given that this has been the main source of new dollars flowing from his department to First Nations, I guess I'd ask the question again: what impact would a deal like that being entertained around a domed stadium, what impact would that have on the Sask Gaming Corp? And what impact would that have on revenues for the gaming agreement? And then further, has there been any discussion made with First Nations, be it at the FSIN level or at the tribal council level or at the individual First Nation level, in terms of what's being considered around the funding of the domed stadium and the involvement of SGC in that?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Well again I submit that this is beyond the mandate of tonight's discussion entirely. We won't be able to even imagine what results could come from some hypothetical agreement until such a thing arises. It's possible that some considerations might come up during the feasibility study about the possibility of an all-weather stadium which is currently under way. But to imagine in advance what the results are, before the study is completed, is not a workable proposition. That kind of information isn't available.

Mr. McCall: — Well I guess I'll make it as simple as I possibly can for the minister in terms of the consultation aspect of this. Have there been any discussions to date with either the FSIN or tribal councils or First Nations on the possible impact that the funding of a domed stadium might have on the gaming framework deal?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. That's a question best put to the Chair of the committee, which is not

myself.

Mr. McCall: — Well again through the Chair, in terms of the Minister of First Nations and Métis Relations being here tonight for consideration of supplementary estimates that flow out of the gaming agreement and again, the gaming agreement being the main source of new dollars flowing out of his department into benefit for First Nations and Métis people in this province. And in terms of the many discussions we've had certainly in this committee and in this legislature and around the province on the matter of duty to consult. In terms of the impact that such a deal might have on one of the sure revenue sources for First Nations in terms of the wide-ranging consultations that have gone on to date around this project, as there should be. But in the update that was provided to members of this legislature, there was no inclusion of First Nations in the groups that were listed off as being discussed on this deal.

Again, through the Chair, we don't know what the deal is. We'd be quite happy to find out greater details of that. As part of our job as the opposition, we're trying to demand that accountability from this government on this topic.

And in terms of the impact that any potential deal might have on one of the . . . in fact the only source of growing revenues for First Nations that originate with this department or this ministry, you know, surely the minister must have some greater, finer answer for the committee on this score.

The Chair: — Are you asking in regards to how this will affect the domed stadium? Is that the process of your question?

Mr. McCall: — I'm asking if any First Nation or tribal council or FSIN has been consulted in the course of the deliberations around a domed stadium, and whether or not the matter of the impact, potential or otherwise, on their revenue sharing might have.

The Chair: — Mr. McCall, the line of questions in regards to any regards to the domed stadium would be out of order at this point.

Mr. McCall: — Again . . .

An Hon. Member: — Mr. Chair, a point of order.

The Chair: — Yes. Mr. Trew.

Mr. Trew: — Thank you. On a point of order, Mr. Chair. What we're discussing tonight is vote 25, First Nations and Métis Relations, gaming agreements (FN03), gaming agreements. Mr. McCall has asked questions around the gaming agreement. How can an opposition possibly . . . How can anyone with any credibility vote monies to this ministry if we're not allowed to ask questions on what the agenda calls gaming agreements? Unless you've presented me with the wrong agenda. I read the agenda into the record. Vote 25, First Nations and Métis Relations, gaming agreements, (FN03) in the book.

Again Mr. McCall has asked questions around gaming agreements. We're not mind readers to know what's necessarily in gaming agreements. But we're trying to understand how the flow of money is affected by said gaming agreements. I submit

to you, Mr. Chair, that this line of questioning is totally, totally in order. And I ask you to rule that.

Mr. Brkich: — Mr. Chair, may I respond to that point of order?

The Chair: — Yes, Mr. Brkich.

Mr. Brkich: — As the members opposite well know, we're dealing with supplementary estimates. I think this budget is dealing with \$1.7 million, not on a wide range of topics. Supplementary estimates, as the members opposite know, are very narrowed and focused on that. There are other venues of your budget process later on in March or other ways to ask questions. Supplementary estimates under the rules state that deals with just that money that's allocated, because that is what is being asked for from the government is a \$1.7 million, not a wide range of policy, Mr. Chair.

The Chair: — Thank you, Mr. Brkich. I find that in regards to anything to do with the domed stadium at this point is not pertaining to the supplementary estimates that we're discussing this evening. Do you have any other questions?

Mr. McCall: — Yes, absolutely. Again, Mr. Chair, the minister himself in his opening comments outlined the broad details that surround the gaming agreement in terms of the revenues that flow in, the revenues that flow out. We're talking about something that is very much on the public's mind right now in terms of things that might impact very much those revenues that flow to that. Again I guess that this is not germane to the discussions of the committee. Given that the minister himself had opened the door at the start on that broader discussion, and that now we have that door slammed shut, we find kind of interesting on the opposition side.

The member from Cut Knife-Turtleford, having been booted out of the chair of this committee in disgrace, now wants to chair from the side, so perhaps you could call him to order.

The Chair: — Mr. McCall, those remarks are uncalled for. If you have any other questions, we'll continue. Thank you.

Mr. Trew: — Mr. Chair, I have a question.

The Chair: — Yes, Mr. Trew.

Mr. Trew: — Can you tell me, Mr. Chair, what questions that we could ask around gaming agreements? Just tell me what might be in bounds and what might be out of bounds. I always thought that the job of the opposition was to ask questions until we could understand where the money was going to be, where it's asked for, where it's going to be spent. In the absence of a map beyond this agenda, I guess we need the government to tell us in great detail what's an acceptable question and what's not, because that's in effect what your ruling is doing.

[21:30]

I'm appearing frustrated because I am. My colleague is asking questions around the gaming agreements, gaming agreements, gaming agreements. That's a one-item agenda. He's asking questions. Is there money flowing as a result of the gaming agreements? Is there any discussion around . . . We get hung up

on a domed stadium but it could be almost anything. What is a fair question to ask about gaming agreements?

The Chair: — We're here to discuss supplementary estimates according to the (FN03), the gaming agreements (FN03).

Mr. Trew: — Gaming agreements, right?

The Chair: — If you've got questions on that, we will continue.

Additional funding is required for reconciliation payments to the First Nations Trust and Community Development Corporations resulting from audited Saskatchewan Gaming Corporation and Saskatchewan Indian Gaming Authority net incomes in 2008-2009.

The amount that we're talking about is \$1.7 million. Mr. Minister, is there something you wanted to comment on in that regard?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Perhaps I could provide a comment that would provide some sort of comfort to our committee members. In my estimation we are not here to discuss gaming agreements in plural. We are here simply to discuss a portion of the gamework framing agreement, and that portion is the need for 1.7 million extra dollars.

I have described that part of the gaming agreement and the need for that money in general terms. Mr. Gray has described it in very detailed terms. Any further questions along the lines of the first set received from members of the committee specifically and exclusively about those dollar amounts, where they're coming from and where they're going to, we would be happy to entertain. But we maintain our stance that other questions about gaming agreements in general or domed stadiums in general or other ideas which might be presented for consideration, might best be ruled out of order and more appropriate to another discussion on another day.

The Chair: — Thank you, Mr. Minister. Is there any follow-up questions?

Mr. McCall: — Perhaps if Mr. Gray could take us back to what constitutes the 1.7 and take us into some detail on things like the particular items therein.

Mr. Gray: — The \$1.7 million is a net amount. It's net of \$5.4 million, which is the actual reconciliation amount determined by comparing what was actually paid last year to First Nations Trust and CDCs versus what should have been paid to them based on the final audited financial statements of SIGA and SGC.

This 5.4 million is being reduced by \$3 million as a result of revised forecasts for the current year, which indicate a reduction in revenues and net income. And an additional 700,000 is being made up of within because the ministry has some flexibility within its current budget.

Mr. McCall: — So where does that flexibility arise from and in what quantity, and then what sources is that derived from?

Where are you taking that money from in the ministry?

Mr. Gray: — It came from a variety of places — 250,000 from the Consultation Participation Fund; 150,000 from the First Nation and Métis economic development fund; 220,000 in reduction in the Northern Development Fund loan loss provision; \$75,000 in operating funds due to vacancy and reductions in travel and office expenditures specifically related to lands and resources; and an additional \$5,000 from communications budget.

Mr. McCall: — So I guess moving last to first, communications was reduced by how much?

Mr. Gray: — \$5,000.

Mr. McCall: — \$5,000? Okay. Next up you had . . . What was the second last item you had listed, Mr. Gray?

Mr. Gray: — 75,000, just general operating funds in lands and resources branch.

Mr. McCall: — In lands and resources?

Mr. Gray: — Yes.

Mr. McCall: — General operating funds? It wasn't attached to a salary?

Mr. Gray: — It wasn't attached to a salary. There was some temporary vacancy which freed up the money, I guess, or made it available to be used in this way.

Mr. McCall: — Essentially managing FTEs [full-time equivalent] to . . .

Mr. Gray: — Managing FTEs, vacancy management, yes.

Mr. McCall: — Okay. Next up, you had 220.

Mr. Gray: — 220. Yes, a reduction in the NDF [Northern Development Fund] loan loss provision.

Mr. McCall: — So in terms of the forecast that had you with the 220 extra, what went wrong there?

Mr. Gray: — Historically the loan loss provision has always been based on 20 per cent of the maximum amount that the NDF loan program could lend out in any one year. The commercial loan program was cancelled last year. And as it was our transition year, we reduced the loan loss provision by only \$100,000. But as it looks like delinquency and risk isn't going to be any greater, we can reduce it using the historical calculation.

Mr. McCall: — Okay. So that was a security reserve backing loans made out of the then program.

Mr. Gray: — It's amounts to be used in case loans go delinquent and cannot be collected.

Mr. McCall: — And as that program was cut in last year's budget, there's less money to lend out, so less requirement for

reserves to back it up. Would that be a fair assessment?

Mr. Gray: — Correct.

Mr. McCall: — Would the minister like to chime in? That would be great.

Mr. Gray: — Yes. And so because the risk is deemed to be less because the amounts that we can lend out under the primary loan program are substantially less, we can release some of these funds.

Mr. McCall: — So in essence, one cut enabled the other.

Mr. Gray: — The loan program and the loan loss provision do work hand in hand. Yes.

Mr. McCall: — Perhaps the minister would like to chime in, or Mr. Deputy Minister?

Mr. Crowe: — Yes, thank you. Ron Crowe, deputy minister, First Nations and Métis Relations. Just to highlight a point. The reason why we withdrew that commercial loan fund is because we only had the one application in the previous fiscal year. We believe that to be the result of a number of other opportunities for loans to be provided. And a decision was made because of a lack of interest and take-up on the program is that last year we made the decision to not proceed with that program because of the lack of take-up on it. Otherwise we would have an employee working full-time basically handling one loan. It is our understanding that other opportunities, other loan funds available have been able to take up the need for the commercial loan fund out of that program.

Mr. McCall: — If the deputy minister could then, what other funds backstop the . . . or took over the demand, if you would?

Hon. Mr. Hutchinson: — With respect, Mr. Chair, I think that's going a little bit outside the purview of our discussion tonight.

Mr. McCall: — With respect, Mr. Chair, we're dealing with an amount of \$220,000 that was used in, directly, in the supplementary estimates, that has been enabled by a cut to a loan program in terms of their reserve requirements.

It's been said at this committee that the need for that loan program was taken over by other loan possibilities. Surely it's not some kind of wild question to be asking what it was that took over that demand or what it was that had this particular program being underutilized by the description of the officials here tonight.

Hon. Mr. Hutchinson: — Mr. Chair, our deputy minister has gamely volunteered to offer an extra explanation on this extra question.

Mr. Crowe: — Just to answer the question, the primary production loan program continues to provide loans for commercial fishers, trappers, and wildlife producers. There's the opportunity for those to access loans and leverage through other programs such as Clarence Campeau Development Fund. And so just to provide that clarity that . . . [inaudible] . . . your

question.

Mr. McCall: — So in terms of the Clarence Campeau Fund and the fact that that has not been increased over the past number of years . . . And we've had some discussion of it at other times in this committee and its relation and in fact its housing, its legislative authority residing within the Sask Gaming Corporation Act and being very much part and parcel of the gaming agreement. And the fact that we're not discussing extra funds flowing to the Clarence Campeau Fund here tonight, although we are, you know, hearing that there's extra pressure being put on the Clarence Campeau Development Fund, which is already well subscribed because there's been a shortfall made up on the other hand by removing some of the reserve dollars from a program that was . . . You know, I'm getting a bit dizzy myself describing it here, Mr. Chair.

But in terms of the Clarence Campeau Development Fund and, you know, we'll ask the question and it's the minister's choice whether or not to respond to it. There's also a well-established practice in these committees that the minister can respond to what he wants. At the start of this committee he'd given a broad description that I think mentioned by name the Clarence Campeau Fund. And, you know, it's his choice to answer it or not, Mr. Chair. He can play the legalistic route in terms of being very narrow in what he interprets to be within the purview of the investigation of this committee tonight.

But it's his first time in front of a committee. It's his first chance to talk about all the great things being done or not done in his ministry. You'd think that he'd want to answer as to what the plans are for the Clarence Campeau Development Fund, particularly as it's directly impacted in terms of the demand on it by the supplementary estimates here tonight.

So would the minister please describe what his plans are for the Clarence Campeau Development Fund going forward? Is there a plan to increase it at least to alleviate the extra pressure put on it by the reductions in funding that arise from the supplementary estimates here tonight?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Now that sounds more like a discussion that's pertinent to a different kind of a topic for a different sort of a day. I would be delighted to entertain any and all questions specifically related to the supplementary estimate question which is concerning a need to make up a \$1.7 million shortfall. If there are any other questions that relate specifically to that figure, we would be delighted to entertain them.

Mr. McCall: — Well far be it for me to get in the way of the minister's delight, Mr. Chair.

Continuing back through the list of what made up the 700,000, there is the figure of 150,000 mentioned. Could the minister or Mr. Gray or any of the other officials take us back through what that figure represents?

Mr. Gray: — The 150,000 is from the First Nation and Métis economic development fund. It's a fund which is sunsetting this year and is winding down at the end of this current fiscal year. And so these funds were available to be used to offset some of the increases related to the gaming.

[21:45]

Mr. McCall: — So that the fund was being sunsetted, there's 150,000 that had not been expended?

Mr. Gray: — Correct.

Mr. McCall: — So when the collection went around to make up the shortfall in the ministry, and I'm sure as that relates to the general fiscal situation of the government, why wasn't that \$150,000 available for First Nations and Métis economic development? Or perhaps the minister could answer that?

Hon. Mr. Hutchinson: — Well as Mr. Gray has mentioned before, and I'll repeat the answer so that it's entirely clear, this is a program which is sunsetting — funds not already expended, therefore are available for reallocation. In this particular case, we think this is a legitimate need to apply some extra dollars to. We have to be part of the solution, and we are.

Mr. McCall: — Well again though, in terms of the difference between sunsetting and turning the lights out on the program, the \$150,000 was allocated for First Nations and Métis economic development, which last I checked was a real area of going concern for the province as a whole. So again, in terms of taking those monies away from that opportunity, I don't understand how there wouldn't be the demand for it, or there wouldn't be the subscription to this fund that would see that \$150,000 going out to First Nations and Métis economic development, as opposed to covering for fiscal mismanagement.

Hon. Mr. Hutchinson: — Well, Mr. Chair, I object to the characterization in the member's remarks. I don't think it's appropriate to the dignity of this Chamber and the process under way in it. Perhaps he would like to rephrase his question in more parliamentary terms.

Mr. McCall: — Again I'm not certain, and perhaps I should be, you know, more diligent in directing in my remarks to the Chair, but I thought you were the Chair. Mr. Chair, is that not the case?

So again, to be very clear on the \$150,000, why was that not expended? Why was that not made available for First Nations and Métis economic development?

Hon. Mr. Hutchinson: — Well, Mr. Chair, we do in fact have a wide variety of programs to assist economic development for First Nations and Métis citizens as well as our northern residents. Simply put, we might not necessarily agree that all the programs put in place by the previous government are relevant and correct to continue in today's environment. We certainly reserve the right to refocus them and, if need be, to replace them with programs that we think will be more particularly suited to today's needs.

Mr. McCall: — Again we've established how, you know, the actions in this round of supplementary estimates have placed additional pressure on something like the Clarence Campeau Development Fund. The minister refuses to answer.

We've established that in terms of the fund that was reduced to make greater reserves available to put into the collection plate

as it passed through the ministry, that was being somehow undersubscribed. We hear from the minister now that there are different avenues available to First Nations and Métis people and northerners in terms of the development or the economic development funds available.

But, you know, it's fine for him to talk about that and to allude to it, but my question is, what are those opportunities? What are those vehicles? What are those instruments that have taken the pressure off things like the Clarence Campeau Development Fund or the First Nations and Métis economic development fund? Because if he can't explain that, Mr. Chair, then it feels an awful lot like a straight cut.

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. What we can address is the need for \$1.7 million to cover the shortfall as expressed in detail, this detailed explanation by Mr. Gray. That's the subject of debate this evening.

What we've attempted to do is to provide a proper context for that discussion and provide proper detail so that any and all questions relating to that \$1.7 million amount — what the need for it is and where it's coming from — are addressed satisfactorily.

Mr. McCall: — You know, the amounts in the context of what is essentially a \$10 billion budget, \$150,000 might strike some as kind of, you know, strange to be going at this again. But I guess it's a signal to the paltry dollars that have been made available to First Nations and Métis Relations in terms of providing and backstopping and bolstering the economic opportunity available to First Nations and Métis people and northern people.

And we as the official opposition look at the decisions made by this government and know for a fact that, but for the gaming agreement that was signed by the former NDP government, there hasn't been new dollars flowing to First Nations and Métis people. There has been an outright cut in terms of the services provided by the First Nations and Métis Ministry, which should be the leader on these issues for the government. But instead it's the one that gets cut in the good times, and I can only imagine what's coming in the bad times, Mr. Chair.

So again the \$150,000 that has been denied in terms of funds that were allocated for First Nations and Métis economic development, the minister has said that there are other funds available that take the pressure off that cut. That in fact it's, you know, it's not a big concern because there are other opportunities available. Could he list for the committee what those opportunities are?

Hon. Mr. Hutchinson: — Mr. Speaker, if this were in fact a wide-ranging discussion of economic development for First Nations and Métis citizens and northern citizens, if this were a wide-ranging discussion of policy to do with First Nations and Métis Relations and Northern Affairs, I would consider those sorts of questions to be absolutely on target. There's no question about that. But if I understand the agenda correctly, we're to talk about the \$1.7 million that we need to find, where those dollars are going to come from, and where they are going to go to. I would be happy once again to address any questions

specifically related to that subject area, the subject area that we came to discuss this evening.

The Chair: — Yes. Mr. Taylor.

Mr. Taylor: — Thank you very much, Mr. Chair. I am listening quietly and with a lot of interest in the exchange that's taking place here. I'm hearing questions relating directly to the dollar values that are put in place, and I'm listening to the minister and his officials giving an answer that allows for an expansion of the discussion, simply because one plus one equals two. And when you know that one plus one equals two, you need to have an understanding of what the consequences of two are in order to evaluate and judge what one and one is, Mr. Chair.

Not wanting to oversimplify my argument here, but if the minister is able to expand his answers to show that there are other programs that are involved in this dollar allocation, then in order for the opposition and the public to fully understand the implications of this decision, we must be able to ask questions relating to those other areas.

So, Mr. Speaker, while the minister and his officials are providing us with information, we aren't able to question the minister about that information provided. And therefore we have no ability to judge the effectiveness of the decisions that are being made.

That having been said, I simply ask the minister to please use his judgment and his discretion to help us, on behalf of the public, to fully understand and gather the information necessary to provide the judgment. We aren't asking the minister to comment on whether or not this decision has an impact on all economic development programs for First Nations and Métis people. But if it has a small effect, we need to know what that effect is in order to judge the allocation of these funds.

So my point of order, Mr. Chair, is just to ask the minister to reconsider his argument, to consider if he's putting something on the table, to allow for a question related to it so that we might better understand the effectiveness of his and his ministry's decision-making process.

The Chair: — Thank you, Mr. Taylor. Your point of order is actually out of order. Point of orders can only be brought up by committee members. As to the minister, it is up to the minister on how to answer the questions. I would like to continue with actually the questioning on the supplementary estimates as it pertains to vote 25, if you would please. Thank you.

Mr. Trew: — Mr. Chair.

The Chair: — Mr. Trew.

Mr. Trew: — Yes. Thank you. I just want to clarify. I understand that non-members of the committee cannot raise a point of order. I'm not challenging that, Mr. Chair, but I want to be clear. Non-members of the committee can speak and can ask questions, but cannot vote and clearly cannot raise a point of order. Am I correct on that . . . [inaudible interjection] . . . Okay. For the moment that's what I wanted to be crystal clear about. Thank you, Mr. Chair.

Mr. McCall: — Continuing on with the questioning, Mr. Chair. So again in terms of the 150, what was the total expenditure in that fund that left \$150,000 on the table.

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Once again our gallant deputy minister is going to jump in with some extra information that might be helpful to members of the committee.

Mr. Crowe: — Thank you, Mr. Chair, Mr. Minister. Just a few points. The \$1.7 million that we are asking for is to, as per the gaming framework agreement, is to support economic development, social development, justice initiatives, educational development, recreational facilities, senior and youth programs, cultural development, community infrastructure development and maintenance, health initiatives, and other charitable purposes.

And the point that I wanted to make was that the resources that we'd be looking for to ensure that we live up to the agreement and ensure that the funds flow to both CDCs and First Nations Trust but primarily the First Nations Trust, the First Nations would have the flexibility to determine expenditures on those areas once they're in receipt of the resources flowing from the First Nations Trust Fund.

Mr. McCall: — But those dollars would be flowing in any event, would they not?

Mr. Crowe: — Once we pass through this level of approval, as I understand.

Mr. McCall: — But again it seems to me that you're taking from one pocket to make up for a shortfall in another. And in terms of . . . And again I think it's great that there are these dollars flowing to the First Nations Trust and to the CDCs. And as I've said in different ways in this committee, you know, thank goodness for it. Because in terms of new dollars flowing out of the First Nations Métis Relations ministry, but for the gaming deal, there's a cut that's been sustained over the past two years.

So again it's great that these dollars are flowing from the agreement. And in terms of the importance of them, in terms of government to government relations, in terms of the ability to make their own decisions on the allocation of those dollars, all of that is very important. But I don't see how that takes the provincial government off the hook for putting forward opportunities under things like the First Nations and Métis economic development fund in terms of their own initiatives.

Or is the government saying — and I'd perhaps ask the minister to ask this question — you know, the gaming deal is enough. We don't need to do the First Nations Métis economic development fund. We don't need to increase these other vehicles that are out there because the gaming deal is it. That's the sum total of the government's interest in specific First Nations and Métis economic development. So is that what the minister is saying to the committee and to the people of Saskatchewan as it pertains to the expendability of this money that was left in the First Nations and Métis economic development fund?

[22:00]

Hon. Mr. Hutchinson: — Thank you, Mr. Chair, for the question. There are two things that need to be said here. First of all, that would only be true, that statement would only be true if we had plans to cancel absolutely every program that was even closely related to economic development, and that's obviously not the case.

Second of all, we must also be cognizant of the fact that millions and millions more have been invested through gaming profits into economic development and a wide variety of other very worthy causes by First Nations and Métis entities province-wide. Those two facts need to be thought about in this discussion.

Mr. McCall: — But again though, Mr. Speaker, we're here to consider supplementary estimates in the amount of \$1.7 million, a figure that arises from a deal that was signed between First Nations and the Government of Saskatchewan on a government-to-government basis. And they signed that deal because they wanted to have that self-determination, that control over their own resources arising from their own economic initiative.

So is the minister telling the committee that because the First Nations have been able to negotiate a gaming framework agreement, that the government need not do anything more because there's no need? Is that what he's telling the committee?

Hon. Mr. Hutchinson: — No.

Mr. McCall: — Well I guess, Mr. Chair, he can tell the committee what he likes, but the actions of course speak louder than words. And in terms of the . . .

An Hon. Member: — Word.

Mr. McCall: — Or word, as my colleague from Prince Albert Northcote has very accurately stated. The actions speak louder than the word of this minister. Because in terms of First Nations and Métis economic development opportunities, we've seen over the past two budgets, cuts in those areas.

We've seen the only net new dollars flowing out of this ministry into First Nations and Métis circles — or into First Nations circles because of course Clarence Campeau has been flatlined — the only new funds flowing are out of the gaming agreement that relies in large part upon the economic initiative and activity of SIGA, of the tribal councils, of individual First Nations, and the FSIN.

So, you know, that the government will cut the other economic development instruments on the one hand, and then say, no, we don't think that's the way it goes — I think their actions speak louder than words, Mr. Chair.

So moving again, the \$150,000, there wasn't interest in those funds from First Nations and Métis people trying to generate economic activity in this province. We in the opposition benches find that hard to believe, Mr. Committee Chair.

The first figure that Mr. Gray had mentioned in what constituted the \$700,000 was \$250,000. And perhaps if he could provide us with a greater description of that, or if the minister would care to pipe in at any time as well.

Mr. Gray: — Yes, I could find some detail. The 250,000 in our current year budget, we had earmarked 500,000 for work to be done on exploratory tables and policy development on the consultation policy framework. And due to extension of deadlines to allow groups to get their submissions in and their responses to the first round, there were delays in the second round of meetings going forward. And it was clear that that money would not be required in this current fiscal year. So it freed it up to be used to make up the shortfall in the gaming.

Mr. McCall: — So in terms of the exploratory tables getting going, and there initially being \$500,000 allocated for them, the 250,000 being taken back from that, it's not that the tables have been cut in half?

Mr. Gray: — It's not that the tables are cut in half. Just the timing is deferred to the next fiscal year.

Mr. McCall: — Could the minister's officials relate to the committee what the timing is now for those exploratory tables and the exploratory tables that will be carrying on?

Hon. Mr. Hutchinson: — Again, Mr. Speaker, a great topic for another day. Suffice it to say at this point that of course the exploratory tables will go ahead as planned. The timing and the details will be available in due course.

Mr. McCall: — Again, Mr. Chair, we're here tonight, to state it very simply, on the dime of those tables. They've been good enough to give up \$250,000 from what had previously been allocated to constitute these supplementary estimates that we're considering here tonight. It's obviously had an impact on the ability of those exploratory tables to do their work. We don't think it's too much to ask the minister for a timeline and how that decision has impacted the ability of those exploratory tables to do their work.

So again if the minister could please answer to the committee, what is the timeline now attached to those exploratory tables because there's been money taken from their funding that is being considered here tonight?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. The member is in error when he states that the \$250,000 has had an impact on the discussions. As Mr. Gray very clearly let us know, they weren't ready to proceed at this present time. And so the money, which was originally allocated should they be ready in time, was not needed.

Mr. McCall: — The minister has stated that they were not ready. Who is this "they" that he is referring to in terms of people unprepared to go forward with the exploratory table process?

Hon. Mr. Hutchinson: — Mr. Chair, I think we've gone down that alley far enough. It's starting to sound a little bit like the dome stadium thing where, you know, we simply won't confine remarks and questions to the topic at hand. I would simply ask

that all members of the committee confine their remarks to the topic that's on the top of the agenda. And we would be very pleased to address each and every one of those questions.

Mr. McCall: — Mr. Chair, perhaps the minister's taken up some of your salary as Chair of this committee, in terms of making up his own sort of budget, because he certainly seems quite anxious to jump in and do your job and rule this in and that out and back and forth.

But the minister himself brought it up in terms of what constitutes \$250,000 of the supplementary estimates being considered here tonight. That has an impact on a very important process for the First Nations and Métis people and the people of Saskatchewan coming out of duty to consult and accommodation. The exploratory tables — them having been cut \$250,000 — surely the minister wouldn't begrudge an explanation of what impact that has on the exploratory table process.

Hon. Mr. Hutchinson: — Well, Mr. Chair, we would be delighted to receive your advice about the relevance of the question. We would also be delighted to offer the following comment. I believe Mr. Gray has very clearly stated that in his opinion it has no effect.

The Chair: — As I understand the discussions, I think the minister has said that the 250,000 would be deferred. Do you have any other questions to follow up on?

Mr. McCall: — So let me understand this, Mr. Chair. You're willing to entertain hypotheticals from the minister as he relates the direct impact of \$250,000 being cut from this year's budget. And unless I've been, you know, not paying close attention to the fiscal situation in this province, Mr. Speaker, the finances of this province, due to gross mismanagement, are only going to get tighter. So when the minister says trust me on the extra \$250,000 coming forward, you know, he'll forgive me if I don't.

We're here to talk about \$250,000 that were cut, that are directly represented in the supplementary estimate. And the minister can't explain the impact of that in any kind of detail.

The Chair: — We've got a point of order.

Mr. Elhard: — Mr. Chairman, the member's hectoring the Chair and the minister. The Chair has already ruled that the question is out of order. No member has a right to question the ruling of the Chair.

And I think that the minister has actually, and his officials, they together have actually answered the questions. So having the questions repeated over and over and over again are of no advantage to the process of the committee or the answers that you seek. The answers have been provided, and to challenge the ruling of the Chair is contrary to very rules that your people have approved in discussion.

Now if you want to persist on this, we can take your challenge of the Chair's ruling to the Speaker.

The Chair: — Order please.

Mr. Elhard: — The Chair has made rulings several times tonight, as I sat here and listened.

The Chair: — Order please. Order. I think if the committee would . . . Please, it is up to the minister in how he answers the question. If we could continue on, please.

Mr. Trew: — I would love to respond to this point of order, Mr. Chair. I listened carefully to the hon. member opposite as he was describing the ruling that you, Mr. Chair — and you're the Chair — made.

I've also been paying attention to my colleague asking questions around this issue of \$250,000. At no time have I heard you, Mr. Chair, make a ruling on it. I've heard the minister suggest that it's out of order. I've heard that. I have not heard you, sir, make that ruling.

I am urging you to find this point of order not well taken, for the simple reason that you did not make a ruling on this matter. You may make a ruling on it at some point, but you had not, so I don't know how you can have a point of order on a ruling you did not make, sir. Thank you.

The Chair: — The job of the Chair is not to . . . [inaudible] . . . the discussions or the questioning, but I will rule on this if that's what you want me to do. And I think the questioning has gone far enough. The minister has answered the question. And if there's any other questions you'd like to continue with, we can continue the discussions on the supplementary estimates. Thank you.

Mr. McCall: — Just so I'm clear. There's \$250,000 in this supplementary estimate that has an impact on the initial expenditure. And we can't, we can't question the minister on what that impact is in terms of the exploratory tables going forward or anything else? Just please clear that up for me, Mr. Chair.

The Chair: — I would say to the member, as long as your questions relate to the supplementary estimates, we can continue. I think the minister has made it clear that this is a deferred \$250,000. Is there any other questions you'd like to proceed with?

Mr. McCall: — We've asked what the impact of deferring \$250,000 is on the process, where that moves the timelines to, how it affects the ability of the exploratory tables going forward. We don't even know when they begin now, Mr. Chair, in terms of what had been voted as a \$500,000 expenditure in last year's budget, you know, that was considered in estimates by this committee. And that is being, you know, danced around now by the minister. I don't . . .

The Chair: — Mr. McCall, do you have any other questions you'd like to continue with, please?

Mr. McCall: — I guess I'll rest in some bewilderment for a moment and cede the floor to one of my colleagues, Mr. Chair.

[22:15]

Mr. Vermette: — Thank you, Mr. Chair, to the committee, to

the minister, your officials. Thank you for being here and answering some of the questions we have.

And I guess I want to . . . I look at the amount of money, \$1.7 million of added revenue you're asking for. And I guess the constituency that I represent has a large First Nations population and this money is going to be going to service some of those community members. Do you have a breakdown at all?

And what I want to know — for instance I have five bands and I'll name them off, to be very clear: Lac La Ronge Indian Band, Peter Ball [Ballantyne], Montreal Lake, Cumberland House First Nation, and Wollaston Lake. Do you have the breakdown on what type of dollars those communities will get from this 1.7 additional dollars you're asking for?

And then I'll even going to break it down further, to communities, and see if you can come up with those answers. And I'm going to break it down even further, but we'll just go with those ones for now.

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Our officials are looking to see if they have that level of detail in the packages that have been provided for their use this evening.

Mr. Chair, we're advised that that level of detail is not currently available but we can certainly undertake to get the information to the member at a later date.

Mr. Vermette: — So to be clear, Mr. Chair, so questions that would relate to the dollars going to the communities — and I guess I'll just take it from my area, constituents — we can't answer that. Then can we break it down to 1.7 . . . Do we know how many tribal councils, if it's going to go that way, would get this money? Is there any numbers that way, Mr. Chair? Can the minister and his official answer that?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Mr. Gray has some information that will be of help to the member.

Mr. Gray: — The 1.7 that we're looking for tonight will go to both the First Nations Trust and community development corporations. The First Nations Trust distributes their funds based on percentage of population to each individual band and I don't have any breakdown in terms of how that would go to the bands. The CDCs distribute their funds in a wide variety of organizations within their community and so I can't answer specifically for that either. But of the 1.7 million, there's roughly two-thirds that will be going to the First Nations Trust and one-third that will be going to the CDCs.

Mr. Vermette: — I guess I want to look at this way, and that information to me is crucial and it's important and why. And I would like to, if I could, Mr. Chair, ask the minister and his officials to please provide the committee, and I guess, with the detailed information. And I think it's crucial that we have that detailed information and I would ask that before, you know — and I want to go a little further into my question here, but, Mr. Chair, I want to be very clear — but before these get voted off, to make sure that information is given to this committee so that myself, as a member, get an opportunity to look at those

numbers.

Mr. Gray: — Just to provide some further information, I think the information you're looking for in terms of the First Nations Trust is available on the First Nations Trust website. They have a very good website and it does outline specifically what bands receive and how much they receive and puts it into categories of what the money was used for.

In terms of how the money is disbursed by community development corporations, I would suggest that you would have to ask each of the CDC corporations for a copy of their annual report. And in each of their annual reports, there's also a breakdown of who their recipients are.

Mr. Vermette: — I guess I want to respond to that, Mr. Chair, in the sense of, okay, we can't ask questions on certain areas. And I'm very clear on that because we'll get ruled out of order. But then you're telling me to go on a website to look at figures.

So this 1.7 million's not going to be on their website because we haven't given it to them, because you haven't given that, so how can I go and look on their website for that when it hasn't been handed out? I assume it hasn't. That's why it's here, so it can be voted off and sent to them. Is that correct?

Mr. Gray: — You're correct. The 1.7 million has not been handed out. And it won't be on the website. However once it is handed out and then the website is updated, those numbers would be available. And I believe there's also historical information on the website.

Mr. Vermette: — I guess, Mr. Chair, I know it's important that they get the money. It's important that they get the money to help out their communities. And I'm not disagreeing with that, that they're entitled to that money; they should get it.

But having to be very clear, Mr. Chair, I think it's important that this committee have details to this money, extra money that's being paid out of the coffers. In troubled times that we're having, with the finances that we're in, I think it's important that we as a committee do the due diligence and we make sure we understand where those dollars are going. So that's why I want to kind of push that along.

And I was going to break it down and maybe some way your officials or the minister can provide that information. I mean I want it detailed. I think it's important. And I'm not just saying that just to say it. It's important. You're asking for more money in these times. We'd better make sure that we know where that money is going and what it's going to be used for. I think it's crucial.

Mr. Crowe: — I'd like to try and provide some clarification why we don't have that level of detail. Our job is not to determine what the amount each First Nation would receive under the First Nations Trust, nor determine what projects are funded from the community development corporations. Our role in this is to ensure that the funds available to CDCs and First Nations Trust are provided to the entities in order for them make the decisions about what projects are to be funded and to what amounts First Nations would receive under the First Nations Trust formula.

So that's the reason why we wouldn't have that level of detail because the First Nations Trust would actually have those, determines those amounts, those levels of funding to the First Nations based on the formula that was agreed to by First Nations.

Mr. Vermette: — Okay, Mr. Chair. Then I guess that brings me further . . . Maybe you can explain this and help me with this. Okay. You hand over the money to the First Nations Trust and to different organizations, and they take that money. And I'm going to talk about, of course, the 1.7 because there . . . I'm not going to talk about any other money because I can't ask that, so I won't go there with you.

So when this \$1.7 million gets approved, then it gets handed over to them. There was a process that they will have to go through within their own institutions, their own organizations that will hand out that money. So at some point does a report come back to the government so you guys see where those dollars were spent, those 1.7 million, where it went?

Mr. Crowe: — Yes, we will receive . . . Part of the framework agreement goes to some detail in terms of reporting requirements and assurance that the First Nations and the community development corporations are spending and providing funds in accordance with the terms of the gaming framework agreement. And those assurances are being provided by their auditors and in turn communicated to the First Nations Trust and then in turn reported to government.

Mr. Vermette: — Okay. I know that a few of my colleagues have a few more questions. I know I have some more. But anyway I'll turn it over at this point, Mr. Chair, to let them get a chance to ask their questions.

The Chair: — Yes, Mr. Trew.

Mr. Trew: — Thank you, Mr. Chair, early on we heard that there was a \$3 million reduction . . . Let me back up. Tonight it was about \$1.7 million net of 5.4 million which was a reconciliation amount in the gaming agreement with the First Nations. And it was stated that the 5.4 million was reduced by \$3 million this year because of a revised forecast. My question to the minister, Mr. Chair, is: what caused this revision? How can we have some comfort that this, this revised forecast is any more accurate than the original forecast? Or in broad strokes, what goes into such a forecast such a, well a reconciliation or the agreement? What is it that caused a \$3 million change? Thank you, Mr. Chair.

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. I believe that Mr. Gray has some technical information that will be helpful in addressing the question.

Mr. Gray: — The budgetary process that the government follows in terms of the timeline that the government follows is not at the same timeline that SIGA follows. So historically, the forecast that is finalized in budget is done on a conservative basis.

Now that we're six months into the current fiscal year, that actual performance for the first six months is taken into account to revise the forecast to look at the last six months of the current

year.

Mr. Trew: — Thank you, Mr. Gray. So SIGA and the government are half a year apart in their fiscal years? Is that accurate?

Mr. Gray: — Not exactly half a year. SIGA provides their final sort of budget numbers to SLGA — I believe they have to be in by March 31st — whereas we finalize our numbers sort of well before that timeline.

Mr. Trew: — Let me try it a slightly different way, Mr. Gray. Are the year-ends the same but because SIGA is reporting to the provincial government for purposes of this agreement and how that plays out, that your numbers, the provincial government's numbers, have to be essentially finalized for budget before the SIGA numbers are presented to you? Is that where that happens?

Mr. Gray: — I believe that's accurate, yes. That's an accurate depiction of the process.

Mr. Trew: — Thank you, Mr. Gray. There's a reduction of \$3 million this year. Is that a normal thing? I just don't know what the history is. Is it typical that there would be a reduction in the mid-year reconciliation virtually every year?

Mr. Gray: — In the three and a half years that I've been involved with the file, that has not been the normal situation. This would be an unusual year for that.

Mr. Trew: — Thank you, Mr. Chair. I see our time has run out for the day.

The Chair: — Thank you, Mr. Trew. Mr. Trew has noted that the time has come. So we will thank the minister and his officials and the committee, and we will adjourn the committee at this point. This committee stands adjourned.

[The committee adjourned at 22:30.]