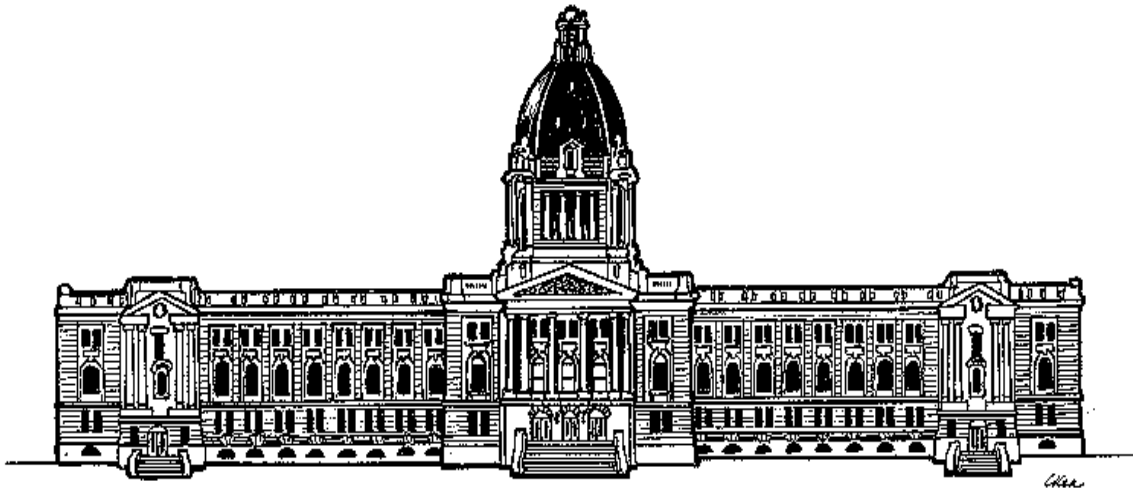




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND JUSTICE**

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[The committee met at 20:47.]

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

Subvote (FN03)

The Chair: — Good evening, gentlemen, and welcome to the committee meeting tonight. This is the Standing Committee on Intergovernmental Affairs. We're discussing the First Nation and Métis Relations, vote no. 25, as appears on page 12 of the Supplementary Estimates.

Welcome, Minister, and your officials. If you'd like to introduce the officials for Hansard and any opening remarks, we can do that now.

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. It's a pleasure to be back with the members of the committee and yourself. As before, Mr. Ron Crowe, deputy minister, Mr. James Froh, assistant deputy minister, and Mr. Kerry Gray, director of finance and corporate services, are with us this evening. I think we gave our initial remarks at our last get-together, and tonight I think we're just ready for some more questions. Thank you very much.

The Chair: — The Chair recognizes Mr. McCall.

Mr. McCall: — Mr. Chair, and thank you to the minister and the officials for joining us on this wonderful festive evening where the snow is all around, getting us all in the festive mood, I'm sure.

Just a question off the top in terms of page 9 in the Supplementary Estimates. I just would welcome some comment from the minister or the officials, Mr. Chair. Under other loans, First Nations and Métis Relations, there's an amount of 400,000 that has been revised to 350,000 for a change of negative 50,000. If the minister or his officials could comment on what that represents.

Hon. Mr. Hutchinson: — I'm not sure that we have a copy of the document that the member has.

Mr. McCall: — I'm referring to page 9 of the estimates under the schedule of lending and investing disbursements. It's included in the Supplementary Estimates document.

Hon. Mr. Hutchinson: — We may well have that information but just in a different kind of format. We don't seem to have the same kind of material that you have with you.

Mr. McCall: — Just by way of clarification, I'm referring to page 9 from the document that was tabled in the Assembly, Supplementary Estimates November 2009-10. Hon. Rod Gantfoer, Minister of Finance. Page 9 under the heading other loans, First Nations and Métis Relations.

Mr. Gray: — Kerry Gray, director of finance. You'd like an explanation of the 50,000 variance?

Mr. McCall: — If you could perhaps outline for the committee what the initial 400 represented and the change of 50,000. If you could explain it for the committee, please.

Mr. Gray: — The 400,000 represents the maximum amount that the ministry can lend under the primary loan programming the fiscal year. The 350 represents what we forecast as what will be lent during the year. So we're forecasting that demand for the loan program will be undersubscribed by \$50,000 versus what the ministry could lend out as a maximum.

Mr. McCall: — Mr. Chair, if they could explain the initial forecast of 400,000 and what are the reasons for the downgrade of 50,000.

Mr. Gray: — Historically the primary loan program subscription has been well under 400,000. I think the average, I believe, was about 290,000 per year over a five-year period. So the 400,000 was meant to give us a, you know, a reasonable working amount to meet the demand and to meet any . . . plus any additional demand that may have arisen.

Mr. McCall: — The forecast, is it assessed on a quarterly basis or at mid-term? When would the decision be made to downgrade by 50,000?

Mr. Gray: — It would be reviewed on a quarterly basis and the forecast updated based on quarterly information.

Mr. McCall: — Just one other sort of question around other information contained in the Supplementary Estimates on page 6. Last week in the work of the committee we'd discussed the \$1.7 million supplementary estimate that's been requested. And I guess, just to make sure we're all on the same page, Mr. Gray had outlined that that represented a figure of 5.4 million in terms of the initial, sort of, forecast and then downgraded forecast, the 700 out of the department. I was wondering if you could just take us back through that as a committee. What goes into the number, 1.7 million?

Mr. Gray: — As we'd indicated the last time we were here, we're asking for 1.7 million. That's made up of three components — 5.4 million as a result of the reconciliation payments required under the GFA, 2002 Gaming Framework Agreement, reduced by \$3 million because of a reduced forecast in current year revenues, and the other 700,000 to be made up from resources within the ministry.

Mr. McCall: — If we could go through that sort of tranche by tranche, I guess starting with the \$1.7 million. How will that be paid out and will that be paid into the CDCs [community development corporation], or into the First Nations Trust? What is the dollar breakdown on that amount and where does it go?

Mr. Gray: — In terms of dollars that are actually going to be paid out, it'll be almost 2.4 million — 2,333,183. First Nations Trust . . . and I probably need to expand on an answer that I provided the previous appearance. I think I had earlier said that roughly two-thirds was going to First Nations Trust and one-third to CDCs. And that was, to expand on that, I was looking simply at the reconciliation payment. However, when I add in the revised estimate, so then the actual net payment will

actually work out to almost 50/50. So the First Nations Trust will receive 1,120,883; the CDCs will receive 1,212,300.

Mr. McCall: — What's the disbursement to each of the individual CDCs?

Mr. Gray: — Individual CDCs? Northern Lights CDC would be 1,486,154; Battleford Agency Tribal Chiefs would be a reduction of 88,440; Painted Hand CDC would be a reduction of 398,233; Bear Claw is an increase of 427,725; Dakota Dunes is a decrease of 225,074.

And then there's a small amount here for Gold Eagle CDC, which is 10,167, which represents part of the reconciliation payment, goes back to '07-08 because of an interest rate swap instrument and a change in accounting policy. So where this 10,167 should have been caught in the reconciliation payment last year, just simply because of a change in accounting reporting it had to be reconciled this year. And that represents the period of time where Gold Eagle CDC was . . . BTC [Battlefords Tribal Council] was host tribal council. Gold Eagle CDC was entitled to . . . before changes was made in 2007.

Mr. McCall: — If you could, through the Chair of course, explain to the committee what the change in accounting principle was.

Mr. Gray: — SIGA [Saskatchewan Indian Gaming Authority Inc.] had entered into an interest rate swap, which is a financial instrument. And I can explain what that means if you like.

Mr. McCall: — That'd be great.

Mr. Gray: — Okay. Basically to mortgage their building — their new buildings that they had put in place at Living Sky, the mortgage that they could obtain was a floating rate mortgage. They wanted to reduce or manage the risk to those floating rate funds, and so they swapped floating rate for fixed rate. So they entered into an agreement with another party that if rates went up, the other party takes the loss; if the rates go down, then there's a loss to SIGA. So to manage the interest rate on the mortgage, they entered into this interest rate swap.

Two years ago the auditor that audited SIGA felt it was a non-tradable item. It could just be booked at book cost, okay, at its actual value of that transaction.

The auditors last year applied . . . There's a change in accounting standards that's happening in the accounting world. The international accounting standards is now coming into place. And under IAS [international accounting standards], the new auditors felt that this was a tradable instrument and that it had to be put on the books at its mark-to-market or its current value because the interest rates hadn't gone up. They in fact had actually gone down, then the value of the financial instrument had gone down.

So that would have had a negative impact on SIGA's financial results because that's a non-cash loss. Because over the period that the financial instrument will exist for, and that the fluctuations and value that'll happen over that period, there was an agreement made that that particular accounting impact would be taken out of sort of the distribution of revenues to the GRF

[General Revenue Fund] and to the other parties, so that any negative or positive impact wouldn't be felt.

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. There's one comment I can add that might be of some value. While not an expert in accounting practices and those sorts of things, I am aware that there was generally accepted accounting principles or GAAP, which was a system which applied up until just a couple of years ago. It seems to have served the needs of a wide variety of both public and private sector organizations, including the casino operations up until that point. But there is a new standard, IAS, the international accounting standards.

[21:00]

I'm not aware in detail of what the differences are. I'm sure Kerry could provide a bit more of an in-depth explanation if that would be useful to the members. I'm simply aware that there has been a bit of a sea change, and some of the ways of looking at and accounting for assets and expenses have changed simply because there has been this paradigm shift within the world of accounting.

The Chair: — Thank you, Mr. Minister. Could we try and keep on track with the vote no. 25, Mr. McCall, please?

Mr. McCall: — How was that not on track, Mr. Chair?

The Chair: — I don't want to go into procedure. I just want to talk about the . . . Like, the accounting procedures are not necessarily what we're talking about here. We're talking about the estimates.

Mr. McCall: — Surely it's the people's business to know what the numbers represent, and the decisions upon which these numbers rest.

The Chair: — Thank you, Mr. McCall. Do you have any other questions?

Mr. McCall: — I certainly do. I certainly do.

The Chair: — Let's continue on.

Mr. McCall: — Okay. With the 1.7, in terms of the auditors that are used, is there a process around which the different parties agree upon auditors? Because of course the auditors are the ones that size up the money and assess what's due to each of the parties, so of course the selection of the auditors is fairly key to that process.

If the minister or his officials could outline for the committee what is the process by which the auditors are selected. Is it a mutually agreed-upon process or consensus or up to each party on its own? Could you explain that to the committee, please?

Mr. Gray: — The work that goes behind selection of the auditors, I really couldn't speak to. That would maybe be a question that SLGA [Saskatchewan Liquor and Gaming Authority] could speak to with greater confidence and knowledge.

Mr. McCall: — But in terms of administering these funds, you

don't know what the process is by which the auditors are selected?

Mr. Gray: — You're asking specifically about SIGA's auditors?

Mr. McCall: — SIGA's auditors or the auditors that moved in from the SGC [Saskatchewan Gaming Corporation] side. And then in terms of how that relates to First Nations and Métis Relations as the administrator of these funds.

Mr. Gray: — Okay. To try and provide an answer as best I can, with the choice of selection of SIGA auditors, we're not involved with the process and how they choose their external auditors. So I can't speak to that.

The choice of auditors for the First Nations Trust and CDCs is generally done by a public invitation to auditing firms to provide an audit package or proposal. And the proposal is reviewed based on this level of service that's to be provided and the depth of knowledge within the auditing firm. And of course one of the final criteria is the price that's being proposed.

Mr. McCall: — The lowest bid, or how does that get assessed?

Mr. Gray: — The price being proposed is always a consideration. It's not the only consideration. So the audit proposal, which would include the steps that would be taken, what would be reviewed, how it would be reviewed, the time frame, the personnel that would be attached to the file would all be in the proposal. And the board of the CDC as a First Nations Trust would then make their decision based on competence and ability and value.

Mr. McCall: — In terms of the time frame involved, like coming to the point of the supplementary estimates going forward, how does that typically go in a year with the auditors doing their work, arriving at their figures, providing the information back to First Nations and Métis Relations, and then in turn First Nations and Métis Relations coming forward with the information they need to request a reconciliation payment in supplementary estimates. What's the time frame typically involved in that process?

Mr. Gray: — The SIGA and SGC year-ends were traditionally at the end of March. And usually within three months following that date, we would have audited financial statements and at that point know what it is that we need to come forward to with reconciliation payments.

As you're aware, there was a change in the status of SGC this last year and their year-end is now December 31st. And so there will be some adjustments that need to be made because of change in timing that was just . . . It was convenient when they were both at the same time. Now that they're sort of separate times, we'll have to look at the reconciliation a little differently.

Mr. McCall: — Going back to the payouts to the individual CDCs, if you could explain for the committee the variance in the sums being dispersed.

Mr. Gray: — To go through it in detail, if I look at difference due to reconciliation payment for First Nations Trust, the SIGA

share on the reconciliation portion increased 2,710,085. The SGC profit share was a reconciliation payment of 678,625. The difference due to revised estimate for First Nations Trust is a decrease of 2.05 million from the SIGA profit share side, and a decrease of 635,000, 750,000 on the SGC profit share side.

Would you like me to continue with that level of detail for the CDCs?

Mr. McCall: — Yes please.

Mr. Gray: — So the reconciliation payments for Northern Lights would be an increase of 463,976, plus an increase of 113,345 for reconciliation on the interest rate swap, and then an increase due to revised estimate of 908,833.

Mr. McCall: — I guess if I could break in for a bit of clarification. Again, this is based largely on the profitability of the individual casino, is it not?

Mr. Gray: — Yes. It is.

Mr. McCall: — Okay. Please carry on. Thank you, Mr. Gray.

Mr. Gray: — For Battleford Agency Tribal Chiefs, the reconciliation payment would be an increase of 94,474 plus 42,100 for the interest rate swap, less for a revised estimate \$225,014.

For Painted Hand Casino, their reconciliation payment increase would be 271,750 plus 34,158, less a difference, a revised estimate amount, of 704,141. Bear Claw had a reconciliation increase of 413,452 plus 8,694, and the difference due to revised estimate was an increase of \$5,579. Dakota Dunes had a reconciliation payment increase of 111,388 plus \$497 on an interest rate swap, less revised estimate of 336,958.

And as I mentioned earlier, the reconciliation on the interest rate swap for Gold Eagle CDC of 10,167.

Mr. McCall: — Thank you, Mr. Gray. Does the — through the Chair of course — does the minister or his officials have any observations as to the differing profitability of each of the individual ventures?

Hon. Mr. Hutchinson: — The only comment that I could make based on information that's been available to me is that the newest one in Swift Current, being a brand new operation, is probably still getting up to speed, getting all of its managerial procedures in place. Start-ups for business traditionally present significant and sometimes unpredictable challenges. I think that's probably part of the reason why the figures aren't as strong there as might otherwise be expected. That's the one where I've heard a little bit of by-the-way information. The other ones I don't have a specific familiarity with.

Mr. McCall: — In terms of the Living Sky getting fully up to speed, is there any sort of timeline in mind in terms of when they are thought to be through the start-up phase of operations and into a more mature level of development?

Hon. Mr. Hutchinson: — I can say something about that. Thank you, Mr. Chair. In discussion with officials, I'm advised

that the relationship between each of those properties would be with the regulator, i.e. SLGA in this particular case. SIGA, I'm imagining, would also have some more detailed information.

But those individual businesses don't in effect report to ourselves. You know, we have a relationship, but it is not strictly a business-to-business relationship or a regulator-to-business relationship. So we probably don't, in the matter of a normal course of affairs, become familiar with those kinds of details. But certainly the other organizations, SIGA and SLGA would be, I would hope, a little bit more familiar than we might expect to be.

Mr. McCall: — I guess I'm just curious because of course the amount that's due in the reconciliation payment has a direct impact on the funds available to the ministry. So of course FNMR [First Nations and Métis Relations] does have a skin in the game in terms of what's happening with the profitability of these different ventures and what expenditures are due out of First Nations and Métis Relations as the administer of the deal.

So I guess that's . . . I appreciate the suggestions on where to go to get more detailed information, but certainly FNMR definitely has an interest in the profitability of these ventures. I'm sure you would agree.

[21:15]

Hon. Mr. Hutchinson: — Yes, that's a good observation from the member, Mr. Chair. There's no question about it. We're in a unique kind of a position, simply the way that the gaming framework agreement has been structured. We are, in effect, very interested bystanders.

What we do is we're in the different sort of position than normal of simply overseeing this thing in the way that we . . . And this is flow-through funding. It's not money that we create or that we have a direct responsibility for. Our responsibility is to simply make sure that it is collected according to the rules and then distributed according to the rules of the gaming framework agreement. I think that's pretty much the sum and total of our responsibility and our activity.

Others have a much more hands-on relationship — either by running the business directly in the case of the casino operators under licence from the province or as regulators. Those are the two groups of entities that would have a much closer relationship with us. We are very interested bystanders. In effect, you know, we watch as the log floats down the stream.

Mr. McCall: — Does the minister or officials have . . . Again, through the Chair, the log's not just floating down the stream. In this case you get to put, you know, \$700,000 on the log to make up the reconciliation payment.

So in terms of that balance between FNMR's role in this system or in this process, is FNMR in a satisfactory position in terms of not having the direct sort of relationship as regulator and more of an administrator of the agreement of course? You know, FNMR pays a direct price in terms of making up the shortfall and having to take away funds out of the ministry to make up the reconciliation payment.

Does the minister or the officials . . . And again, I know that you've got people that are intimately familiar with this, the framework agreement. Do they have any observations on whether this is a satisfactory arrangement or are there ways to improve it in terms of the accountability and who pays the price for the deal?

Mr. Crowe: — Thank you. Mr. Crowe, deputy minister, First Nations Métis Relations.

I wanted to answer the first question in terms of a general statement about the profitability of the casinos. For the most part we're fairly comfortable with the fact that they are in a profitable position, barring the one that our minister has identified, because as per the gaming framework agreement, 25 per cent of the net profits are going to the community development corporations. And by virtue of that, when we do indicate there are funds that are available to go the CDCs, then that's really an indication of the profitability of that.

So as a general statement or a general comment, we're fairly comfortable with the profitability of the facilities in the sense that there are payments going forward.

The second question in terms of the state of the relationship that we have, we just completed, with the FSIN [Federation of Saskatchewan Indian Nations], a review period — a review of the gaming framework agreement, and that was completed in 2007. The next one's scheduled for, I believe, 2012 in order to happen every five years. And what we do is, based on relations and identification of issues, concerns, problem areas, we revisit those issues every five years in the review period.

And I think the previous review period found that there was some changes that were needed, and we're quite comfortable with the relationship that we've established with the First Nations Trust and all of the CDCs at this point in time. And I think the relationship is fairly good in terms of administrating the terms of the agreement for revenue flows through the . . . whether it'd be to the First Nations Trust or the CDCs.

There seems to be a really good relationship that's evolved, based on relationships and based on the amendments to the gaming framework agreement. So I would say they're fairly positive on both of the questions that you've posed.

Mr. McCall: — I'd certainly agree with the general thrust of Mr. Crowe's statements, Mr. Chair. I'm not trying to harp on this, but the thing that strikes me as interesting is that in terms of needing to make up a shortfall in the reconciliation payment to the tune of \$700,000 out of the department or out of the ministry, it's . . . And perhaps this is a, maybe this is more a matter of presentation or a matter of different things being bundled into a supplementary estimate that perhaps aren't related.

Again in terms of the funds that should be coming under the gaming framework agreement, that's all straight ahead and again, I would agree with the observations around the relationships that have been built up and the success of the, the mutual success, mutual benefit of the agreement to the parties.

So I guess perhaps I'm thinking of this in the wrong way.

Perhaps the \$700,000 is more a matter of accounting and paying out one responsibility for the ministry by using funds that — I don't want to call it, you know, an accounting manoeuvre or anything like that — but is it, to have these figures and these sums bundled together in this one supplementary estimate, is it a fair statement to say that the \$700,000 cuts to funds available to the First Nations and Métis Relations ministry to do the work that it has to do, is this the best arrangement to be bundling that \$700,000 into this supplementary estimate that is, you know, put forward as a reconciliation payment?

Mr. Gray: — When we look at the options that are available to us, really what we're trying to do is have respect for overall taxpayers' funds. And the option was, we could be coming to the committee and asking for \$2.4 million and then at the end of the year be underspent in our budget within in the ministry by that 700,000.

So when we're looking at that 700,000, we look very closely at those dollars and are quite confident that that money would be unspent within the ministry's budget, prior to offering it up as part of the solution to meeting the obligations under the gaming framework agreement.

Mr. McCall: — Again I'd welcome the officials' opinion on this and the minister's opinion, through the Chair of course. In terms of bundling these different elements together to make up the 1.7 million for the supplementary estimates in the name of it being a reconciliation payment, and then undertaking that number representing the sum of other sort of calculations or reallocations in the department, why wouldn't there be a separation of the, why not come forward with perhaps two different items, three different items, in terms of monies that are directly related to the gaming framework agreement? And then if there's a need for a reallocation or, you know, a cut of \$700,000 on the department side, why not come forward with different items so as to better represent what's on the table?

Mr. Gray: — I think it's a matter of perspective. This process really is one that I think, I believe has been followed by Finance, it is followed across ministries, where we, you know, we could come to the committee and ask for the full \$2.4 million and then, at the end of the year, provide additional explanation as to variances to why we're under budget in certain areas.

Or we can bundle it, as you've indicated, and provide the explanations at mid-year and try and give, I think, a more accurate picture of the net cost to government throughout the period. It could be done either way. And I guess, depending on your perspective, which way would be correct could be decided.

Mr. McCall: — And again this, I'm sure, has been the practice. But for the explanation that the minister and your good selves as officials have provided to the committee, we don't know what the 1.7 million actually represents. So it has been interesting to hear the explanation that it's not just a straight-ahead reconciliation payment and the difference between the forecast and the actuals, but that there's been a number of other sort of steps and sources of funds involved in the process.

And I guess that's . . . You know, again we're trying to get as

clear a picture as we can of the expenditure involved in the department as relates to the supplementary estimates. So again you've been good about explaining in detail what this number is the net result of. But I guess I'm just interested in, is there a better way to do this in terms of reporting out the expenditure of public dollars?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. The member raises an interesting point. We've spent a considerable amount of time discussing the particulars, the details of the arrangement. But there is an interesting question that's been proposed, is there possibly a different . . . Well certainly there are always different ways of doing things. Is there a better way than the current way?

It sounds, from my perspective, as if the member is feeling his way towards some sort of a potential change in the relationship that might be reflected in changes ultimately to the gaming framework agreement. If there are some ideas that he would like to present at any time — doesn't need to be tonight, but at any time — we would be very grateful for them. And when next we have the opportunity to discuss these kinds of things with our partners, we would be delighted to present any and all options for consideration. I mean, the more ideas the better, etc.

[21:30]

So with that in mind, I don't know what the timing of those discussions are, but obviously we have an ongoing discussion with our partners in . . . I wouldn't imagine it's just once every five years that we sit down, but there would be opportunities along the road. We'd be delighted to take any suggestions forward on behalf of the member with our gratitude.

Mr. McCall: — Okay. Now I guess, Mr. Chair, to the minister and the officials, I'm just trying to get as clear a picture as possible of the expenditure of public dollars, the rationale for certain of the decisions that have been made, and what constitutes the \$1.7 million of supplementary estimate under consideration by this committee. So I guess it is a process in terms of developing that fuller understanding. And I thank the minister for his invitation, but at this time we're just trying to get as clear a picture as possible in terms of decisions made and why those decisions were made and how this translates into the stewardship of the public purse.

I have a fair number more questions, but of course I have inquiring colleagues as well that would like to ask some questions, so I guess at this time I would cede the floor to them to pursue those questions, Mr. Chair.

The Chair: — Thank you, Mr. McCall. Mr. Trew, you have some questions?

Mr. Trew: — Indeed I do. Thank you.

The Chair: — Related to vote 25.

Mr. Trew: — Absolutely related to vote 25, Mr. Chair, absolutely.

My colleague, Mr. McCall, has asked questions and if I understand it, on the First Nations Trust, that the money that

gets divvied amongst the casinos according to their earnings. I just wanted . . . Isn't that what we've been dealing with? Or were we dealing with the CDCs?

Hon. Mr. Hutchinson: — Actually I think the relationship is slightly different. There are two entities to whom dollars are owed according to profits available. One of them is First Nations Trust, and then the other is the CDCs which actually in effect represent the individual casino properties. For a little bit more detailed explanation on how that mechanism works, I think Kerry can be called upon to help.

Mr. Gray: — There is a . . . Let me just back up here. Okay, in the opening statements the minister gave last week, profits generated by the Saskatchewan Gaming Corporation, 50 per cent of them go to the General Revenue Fund, 25 per cent go to First Nations Trust, and 25 per cent to the Community Initiatives Fund. And profits generated by the Saskatchewan Indian Gaming Authority, 25 per cent go to the General Revenue Fund, 50 per cent to First Nations Trust, and 25 per cent to the community development corporations. The money that is paid to the community development corporations is distributed based on the particular casino's percentage, weighted percentage towards the overall profit of all the casinos.

Mr. Trew: — Thank you. And that CDC money, if I then understand it right, goes . . . for example the Painted Hand Casino or that CDC got an additional . . . roughly 271,000 is the number I wrote down, and that was based on their earnings compared to the earnings of the other casinos. And then the reconciliation takes place, and the money is divvied amongst those CDCs, in broad terms. I'm not trying to have a trick question; I'm trying to understand the CDCs versus the First Nation Trust. And then what that money is used for, the CDCs, the respective tribal councils have some control over. Is that accurate?

Hon. Mr. Hutchinson: — There's probably . . . in this case I think what would be helpful is to have a bit of a general answer which I'd be happy to provide. And then I think there's a bit more of a detailed one. The detailed one, if I can get Kerry thinking down this path, is . . . I suspect it might be helpful to have a little bit better of an understanding about the mechanism. So you're a casino property. You make X number of dollars. And how does that translate into the payments that you get back? Does it directly reflect your profitability in relation to others, or is there some other way that these are blended or averaged or something along those lines?

And then I think it would also be handy for me simply to reflect on one of the notes from the introductory comments. CDCs make payments to community organizations surrounding each casino. So as I understand, if you thought about the one in Yorkton, we have Yorkton Tribal Council and various entities that they support. It's community organizations within that area which directly receive support as a result of this particular CDC, whereas the First Nations Trust distributes funds to bands based on population distribution. And those funds can be used for a variety of purposes. And they're handily listed in the notes; I'll simply repeat them — economic development, social development, justice initiatives, educational development, recreational facilities operation and development, senior and

youth programs, cultural development, community infrastructure development and maintenance, health initiatives, and other charitable purposes. So quite a large bundle of activities, quite flexible in its application, and I think by design actually.

Mr. Trew: — Thank you, Mr. Chair, Mr. Minister, thanks. The monitoring then of that money that is spent — let's go to the First Nations Trust — would be up to the tribal councils. I don't know how I keep getting this not quite right. Please go ahead.

Hon. Mr. Hutchinson: — Thank you for the question from the member, Mr. Chair. I think that perhaps the deputy minister is in an ideal position to provide what I think ought to be an overall answer that says here are the various entities, here's who's responsible to who, that sort of thing. Just so that we can get a little bit more of an accurate understanding of the pieces of the puzzle and how they interact, if I can put it that way.

Mr. Crowe: — Thank you, Minister. To start with, the gaming framework agreement has provision for First Nations Trust, and that's where, as the minister or Kerry has pointed out 25 per cent of the profits from SGC casinos, Casino Regina, Casino Moose Jaw go to that as well as 50 per cent of the profits from SIGA casinos go into that. And that entity distributes to the First Nations, based on a formula that includes per capita and base, an amount based on the overall amount that's achieved from those two sources of revenue during the year.

The gaming framework agreement also has provision for community development corporations, CDCs, which are for all intents and purposes owned and managed by the host tribal council. As pointed out, Painted Hand Community Development Corporation is operated by the Yorkton Tribal Council who determines the board of directors and under the GFA also includes members of the public in addition to tribal council representatives on that CDC.

So it's a mixture of both First Nation representatives and community representatives from the community that the casino is in. And they receive 25 per cent of the profits of those particular casinos so that resources are redirected through a local entity to ensure that other organizations such as community organizations in the community are actually benefiting from the operation of the casino. And those kinds of activities can range from powwows, community events, donations to purchase health care equipment, and a whole list of activities that the boards actually deem appropriate. We don't have a lot of prescriptive measures in terms of what can be funded so long as that they'd go to support community events.

What we don't allow for is investments into private business industry and financing leverage. Those are things that aren't allowed for with those kinds of funds. So they do go . . . The intent is to ensure that there's support, provided support to community organizations in the area of the casinos. Does that give you a good understanding of the . . .

Mr. Trew: — Thank you very much, Mr. Crowe. Yes. I appreciated your comments particularly at the end. I was interested in not a lot of prescriptive rules, but clearly I don't want to say no rules. I mean, far from it. I don't want anyone to get the notion that that's what I'm saying. But clearly it's

community initiatives that will help in a broad way. It can be health. It can be social. It can be justice, as the minister said, and a host of other good and worthwhile things.

I'm now just curious about . . . I thought that a component of this was economic development. Does the economic development come somewhere else, or does it fall under either the First Nations Trust or the CDCs, a component of economic development? And I asked that, Mr. Crowe, in light of . . . You said no private business investments. And so I'm trying to understand that, if you will please.

Mr. Crowe: — The economic component could vary from funding an economic agency that is intended, such as a non-profit organization, that is either hosted by the tribal council or some community organization, community event, that maybe perhaps sets out a strategy on economic development. And that essentially is an appropriate . . . if it was deemed appropriate by the board as well.

Where many of the First Nations utilize, use the funds is usually through, for economic purposes . . . and perhaps if First Nations aren't undertaking business activities based on the gaming revenue, that would flow from, as per the GFA, under the First Nations Trust. And then that goes back to the First Nations Trust where there is . . . economic development is one of the main opportunities to utilize and reinvest the revenue from the gaming funds. That's where a big part of the mandate First Nations undertake, to use funds for economic development through the First Nations Trust.

Mr. Trew: — Thank you, Mr. Chair. Thanks, Mr. Crowe. I'm just not quite clear on how you do the economic development. I know you may do a community study or try and mobilize the community to an agreement, that they should have some undertaking. But am I accurate in reflecting that what I'm hearing is . . . Let's say for example that a community decided they were going to make red paper clips. Obviously no one's going to do that. Somebody's already doing it very successfully.

But there's an economic study and it's been mobilized through these funds, and they determine they need a quarter of a million dollars to get the thing off the ground. Is there any potential for money coming out of any of these funds to get the red paper clip factory going?

Mr. Crowe: — If a First Nation wanted to use gaming funds through the First Nations Trust to invest in a corporation or company that was going to make red paper clips, they could do so through the revenues that they received on the First Nations Trust Fund.

The community development corporations have been set up to serve the community as a whole, so that's where strategies and feasibility studies might be looked at as an appropriate expenditure. But essentially, the CDCs were set up to ensure that the community as a whole, through community organizations and events and things, are able to access or have some resources that they might be able to access funds if deemed eligible by their board.

Mr. Trew: — Thank you, Mr. Crowe, Mr. Chair. I have to get this. As I hear it then, the CDCs can do the business case, the

study, the rallying of the community, and then the First Nations Trust would be where they could actually access some funds to set up this particular economic plan to build red paper clips. And I want to do this disclaimer for anyone that just suddenly tuned in: there's no red paper clip factory, but it's to understand how these funds might work.

[21:45]

Did I capture it in that? The CDCs can do some of the footwork and the preliminary studies and get the local community or band focused on the economic development. And then the First Nations Trust, they could access some money from that for the actual getting the red paper clip factory off the ground.

Hon. Mr. Hutchinson: — I believe that's actually the right relationship, yes, if I understand correctly. And officials can certainly provide more detail if they think it's going to be helpful.

I would look at it this way: the overall responsibility, the general responsibility is to simply say, look why don't we take a few dollars from the CDC fund and do a bit of an economic development study and find out what potential we have locally? What kinds of businesses might actually work here?

So they might look at manufacturing capabilities. They might look at, do we have a skilled labour force? Do we have some needs to upgrade folks with basic skills, so that they have specialized manufacturing skills, so that we could get them to that point? If we did that, what is our distance to market? What are the, you know, the costs of capital? What looks best from our perspective? Should we be manufacturing anything at all?

Maybe the right thing to do is to get more actively engaged in ecotourism, for example. So there could be a different, all kinds of different business possibilities. And I know that what First Nations are more active in today, than at any point in the past I would think it's accurate to say, is in trying to examine what are the possibilities. What would work for us? If we think about Dakota Whitecap, they have a casino property there. They have a golf course. They have other businesses. What they've done very successfully is to address the question, what kind of economic development would work for us?

Now once you have found the right sort of expertise — either internally or externally or some combination of both — canvassed all the folks in the area to say what are your ideas and thoughts, and then come back with some sort of a plan that says here are the possibilities as we imagine them. And then the community as a whole makes some decisions about which of those possibilities it thinks are most viable, most attractive, most appropriate — appropriate to perhaps continuing traditional ways of making a livelihood, just to pick one example that would be germane to that discussion. Then individual business opportunities can be pursued, and the financing of those becomes the responsibility of another entity entirely.

Hopefully that helps a little bit. That's my understanding of the general versus the specific; the CDCs versus First Nations Trust.

Mr. Trew: — Yes. Minister, officials, and Chair. I think I've actually captured it now. And I thank you for your patience in waltzing me through this.

The next phase of it, which I think I can be fairly short; I hope I can. When the provincial government spends money, there's audits done. There's a determination that the purpose the money was taken out for, that's essentially what it was spent for. Is this your ministry's responsibility to audit these funds? Or where does that responsibility fall?

Mr. Gray: — Our responsibility is not as an auditor on the funds. However there are accountability requirements in the GFA that the First Nations Trust and the CDCs provide to FNMR. We review them, make sure that they meet the accountability requirements, and ensure that the requirements are met. Once we ensure the requirements are met, then funding continues to flow.

Mr. Trew: — Thank you, Mr. Gray. Mr. Chair, so the internal auditors would see that the guidelines are being met and report to FNMR? And then that enables you to continue delivering the money in this case, or the support as required that you're charged with doing?

Mr. Gray: — They're not referred to as internal auditors. They're external auditors to the First Nations Trust, external auditors to the CDCs, which would be professional auditing standards. And there is the audited financial statements that are required, annual report, list of beneficiaries, compliance on the use of funds from the auditor, and compliance on the effectiveness of internal controls by the external auditor.

Mr. Trew: — Thank you, Mr. Gray. Mr. Chair, again I just have to thank the officials and the minister and yourself for your patience as I got through that in my mind. Thank you. That's my questions for the moment.

The Chair: — Thank you. Thank you. Is there any other questions?

Mr. McCall: — There certainly are, Mr. Chair.

The Chair: — Okay. Mr. McCall.

Mr. McCall: — Again, in terms of the overall amount of \$5.4 million and the next sort of tranche of that being the \$3 million reduction from the forecast for gaming revenues, if the minister, through the Chair, or his officials could take us through the downgrading of the \$3 million in the revenue forecast.

Mr. Gray: — The process by which the forecasts are developed are external to FNMR. So they're developed in conjunction between SIGA and SLGA and SGC and SLGA. So I'm not sure I can add a lot of value to your question. I mean the forecast is based, the revised forecast is based on some actual results for the first six months of the year, so they're apt to be more accurate than what was basically an educated guess six months earlier.

Mr. McCall: — I'm asking this because of course it has the net effect of having us here tonight to consider \$1.7 million in supplementary estimates. But in terms of the forecasts, in terms

of establishing what is agreed upon, how does that work between SIGA and SLGA? And again there's a \$3 million impact on the number that we're here considering tonight.

Mr. Gray: — The details of the process that they go through, I can't really speak to. They would review the financial results, review what expenses have been in comparison to previous years of operation, historic operation, or in comparison to other operations, and based on actual performance would revise the forecast.

Mr. McCall: — Is there anything else you'd like to add around the factors influencing a \$3 million downgrade in the forecast?

Mr. Gray: — The one thing I could add is — and some question sort of alluded to it earlier — is sort of the impact of Living Sky Casino and how that would impact the other CDCs. And within the gaming framework agreement, it contemplated a situation where you had one or more casinos losing money. And the way that that's handled is that that loss is shared amongst the CDCs on a proportionate basis so that the impact of one casino losing money is shared amongst all of them.

Mr. McCall: — You spread the risk; you spread the loss. Okay. I guess, moving on to the 700,000 tranche in terms of, if you could itemize that for us again, in terms of what the \$700,000 represents.

Mr. Gray: — And I'm just reading from *Hansard* from last week. Variety of places: 250,000 from Consultation Participation Fund; 150,000 from the First Nation and Métis economic development fund; 220,000 in reduction Northern Development Fund loan loss provision; 75,000 in operating funds due to vacancy and reductions of travel and office expenditure specifically related to lands and resources; an additional 5,000 from communications budget.

Mr. McCall: — The \$250,000 from the Consultation Participation Fund, that represents what?

Mr. Gray: — It was money that was earmarked for a second round of exploratory round-table discussions. Those discussions are going to be delayed because deadlines were extended to allow all parties to get their input into the process. And so it's money that was not going to be expended in this fiscal year.

Mr. McCall: — Again it's out of the \$3 million Consultation Participation Fund overall. Is that correct?

Mr. Gray: — Correct.

Mr. McCall: — The 250,000, is that half of the \$500,000 that was allocated within that larger fund for exploratory tables? Is that correct?

Mr. Gray: — That's correct.

Mr. McCall: — Perhaps the minister or the officials could explain to the committee how it is that this is a process that is fairly well engaged. How is it that there are \$250,000 that wouldn't be expended either in the exploratory process or in applications being made to the participation and consultation fund itself?

Hon. Mr. Hutchinson: — Perhaps I can provide an answer to the member that might be helpful. My understanding is, is that a number of the stakeholders requested extra time and thus the budget wasn't used in the original time frame as estimated.

It's simply a process of making sure that all of the stakeholders have enough time so that they have a level of comfort, that they've had the proper chance to review any proposals, offer their own ideas. There's communication back and forth, and when we get a direct request for extra time in the process, we think probably the right thing to do is to accommodate that to the fullest extent possible.

And if in granting that extra time, we find out that it's taking longer than was originally planned, and the dollars aren't being expended as quickly as originally estimated, then we can . . . And in fact in this case have found out that there are a few dollars left over that we thought might have been needed, but in fact weren't.

Mr. McCall: — What I have a hard time understanding is that of course this is a very important file for the province, let alone for the ministry. There's a great deal of interest on the part of First Nations and Métis people, let alone industry and the people of the province in terms of how duty to consult goes forward.

And in terms of how duty to consult and accommodate is engaged by particularly First Nations and Métis, I have a hard time understanding how, with the great interest out there in First Nations and Métis circles, how there weren't applications made that these \$250,000 wouldn't have been allocated to, as opposed to being returned to the General Revenue Fund in terms of compensating for overall shortfall. So were there not applications that these dollars might have flowed to as opposed to being returned to the centre?

[22:00]

Hon. Mr. Hutchinson: — Well, Mr. Speaker, in answer to the member's question, I could observe that I think he's hitting the nail right on the head. In fact it is precisely because of the level of interest, the level of engagement of stakeholders, that extra time was requested by those organizations to consider the materials, and that's why it took longer than was originally planned. It's simple as that.

I mean the groups as I understand it want more time than perhaps they or we originally imagined would be needed in order to consider these very important concepts. As the member has correctly observed, this is a very important file, not only for the ministry in particular but the province as well. Everybody involved with that recognizes that and when we receive a direct request for some extra time to consider these things, to the extent that it is possible while continuing to move the file forward, we want to be as respectful and as accommodating as we possibly can. This is simply the outcome of that very situation.

Mr. McCall: — But again in terms of the, you know, what it takes for the different groups and the different stakeholders to represent their case, the minister's, through the Chair of course, conveying a request on the part of different stakeholders for

more time. Fair enough, but certainly there's been a request or a parallel track to that request around more resources to adequately prepare and to make the case and to do the research and to do the legwork that needs to be done so that the different stakeholders can adequately present their case.

So in terms of more time, fair enough, but in terms of more resources, which I'm sure the minister has heard that refrain as well, I guess, does the minister hear a request out there for more resources to adequately prepare on the part of stakeholders in the duty to consult process?

Hon. Mr. Hutchinson: — Generally speaking, I think it's accurate to suggest that not in every case does extra time to think and reflect require extra resources. If one of the stakeholders decides that they've had the expert advice that they need but when they want to do internal consultation, consulting with elders, for example, or just around the council table, that those discussions — lively as I'm sure they would be, interesting as I'm sure they would be, productive as I know they would be as well — are taking a little bit more time than they had originally estimated, that in and of itself can be the genesis of a request for more time without any need for extra resources.

Mr. McCall: — Through the Chair, is the minister aware of outstanding requests for funding under the participation and consultation fund that have either been denied or still under consideration by the ministry?

Hon. Mr. Hutchinson: — Well, Mr. Chair, I wonder how far down this alley we ought to really go and how far we might be going away from the original premise of the discussion. If I understand it, what we should be talking about today is, let's talk about the need for the dollars that we're chatting about — the 1.7 million — and where do those dollars come from. But how far down that road do we need to go in each and every particular case is something that I would ask for the Chair's advice on.

The Chair: — Yes. Thank you, Mr. Minister. Yes, I think we're getting more into the operational of the casinos rather than . . . We're here to talk about the additional funding for reconciliation payments for the First Nations Trust, community development corporations, resulting from audited Saskatchewan Gaming Corporation and Saskatchewan Indian Gaming Authority net income. So we'll try and keep a little bit more into that perspective, please.

Mr. McCall: — Mr. Chair, in terms of the expenditure of the public dollar and in terms of something that is directly included in the supplementary estimates under consideration tonight, there's a \$250,000 cut from the participation and consultation fund that goes into this \$1.7 million of supplementary estimate.

And in terms of trying to get an understanding of how those funds were available, given the, you know, from as far as I can tell, the great interest and application to resources or the ability to access resources on the part of different stakeholders in this question. The minister's asserted that what is primarily needed is more time, and has provided some examples of why that is the case. What he's saying is, to my ears, at odds with what I hear out across the countryside in terms of the interest for resources to pursue this case.

There have been resources cut back that are directly represented in these supplementary estimates. I'm asking the minister to explain how it is that . . . I'm asking him to substantiate this notion that the \$250,000, there would be no interest in those resources out there in terms of stakeholders preparing their case. And I would appreciate an answer from the minister.

The Chair: — Do you have any comments in that regard?

Hon. Mr. Hutchinson: — Yes, Mr. Chair. To answer to the member's question, two things. First of all, it is our commitment to meet the requests so that the job can be done properly. There's no question about that. The job needs to be done and it will be done. What we're talking about is dollars from the current fiscal budget which have not been needed. It's as simple as that.

As in every case, as in every year, good folks sit around the table and do their best job of trying to estimate the number of dollars needed for each and every one of these important activities. And as time goes by, we'll inescapably find that there's a little more that's needed or a little less that's needed. That's as may be.

In this particular case because some of the consultations have taken a little bit longer for the reasons that I've suggested to the member in answer to previous questions, we find that there are fewer demands on the dollars contained in the current budget than was originally imagined. These dollars are actually needed in the amount that was originally estimated.

Mr. McCall: — So to perhaps state my question in a different way, Mr. Chair, to the minister and his officials: are they asserting, is the minister asserting that there isn't \$250,000 worth of applications outstanding or those that have been denied or stakeholders that have an interest in accessing these resources to prepare their cases and their participation in this process? Is he saying that there's no interest in \$250,000 on the part of First Nations and Métis stakeholders as they engage in the duty to consult and accommodate process?

Hon. Mr. Hutchinson: — In answer to the member's question, Mr. Chair, I'm simply asserting that to date the total number of dollars that was originally allocated based on the best estimates of the good folks that were involved in putting it together haven't been needed in total.

Mr. McCall: — Again, Mr. Chair, I find that to be a very interesting assertion. But the minister's given it his best answer, so I guess we'll move on to the next component of the \$700,000 of "flexibility" that the ministry brought to bear in the supplementary estimates under consideration this evening.

I'm referring, of course, to the \$150,000 that was taken from the First Nations and Métis economic development fund. Again for a fund that's in 2007-08, in the last year of the NDP [New Democratic Party] government, was \$1.5 million, the first year of the Sask Party government was cut to \$750,000, and this year we find out that it's being sunsetted. And that the \$150,000 had been, had gone unsubscribed and therefore was available in taking up the collection to make up the budgetary shortfall for First Nations and Métis Relations as relates to this supplementary estimate.

It raises a number of questions. First off in terms of the service delivery agreement and I guess that I don't . . . want to make sure that I've got my facts straight here. The Clarence Campeau Development Fund had a service delivery agreement for this fund, did it not?

Mr. Gray: — Yes, it did.

Mr. McCall: — Could the minister, through the Chair of course, could the minister or his officials explain to the committee what the terms of that service delivery agreement was?

Mr. Gray: — They provided some professional expertise in adjudicating loan applications as well as providing some professional expertise in putting the partners — equity partners and loan partners — to assist in the purchase or development of a business, and provided expertise in business planning and follow-up on the business plan once the business was in operation.

Mr. McCall: — Was there a dollar figure assigned to the value of the service delivery agreement?

Mr. Gray: — Yes there was, and in anticipation of your next question of what amount is, I don't know that I have that in front of me.

Mr. McCall: — Mr. Gray, you usually have all these things in front of you.

Mr. Gray: — I apologize but I didn't anticipate that question this evening.

Mr. McCall: — Okay. Perhaps through the Chair, we'd accept an undertaking on the part of Mr. Gray or Minister Hutchinson to provide that detail to the committee. But if I'm understanding the last week's deliberations correctly, the minister had stated that the First Nations and Métis economic development fund is being sunsetted. There is \$150,000 that has gone unsubscribed and therefore was provided to the \$700,000 in making up the estimates under consideration tonight. That program as of next year is done. Am I understanding that correctly?

Mr. Gray: — When that program was originally set up, it was set up with a five-year time frame. It was extended one year, with the monies in the last year split over two years. So that will expire at the end of this fiscal period. And I believe that the plans are or that that program will — and I believe the word sunsetting were my words — I believe it will be sunset or will be ending.

Mr. McCall: — And I believe my words were, turn the lights out on it. But in terms of, through the Chair of course, in terms of once, you know . . . There is \$600,000 that were allocated under this program this year, leaving \$150,000 that is now being cut. Year previous, was the funds fully subscribed?

Mr. Gray: — To the best of my memory I believe it was very close to fully subscribed, yes.

Mr. McCall: — And again through the Chair, the year before that, was the First Nations and Métis economic development

fund fully subscribed when there's a larger amount in the figure of \$1.5 million in the fund for that?

Mr. Gray: — It was undersubscribed.

Mr. McCall: — To the amount of how much?

Mr. Gray: — Okay. In 2007 and '08 amounts disbursed were 1,264,957.

[22:15]

Mr. McCall: — One more time, sorry, Mr. Gray.

Mr. Gray: — 1,264,957.

Mr. McCall: — And the remaining funds were carried over to the next year? Or how did that . . .

Mr. Gray: — The remaining funds were turned back to the GRF.

Mr. McCall: — Okay. But in terms of that level of subscription, it was contended in the previous meeting that the \$150,000 remaining for the First Nations and Métis economic development fund and the minister . . . I'd welcome, through the Chair of course, further explanation of how it is that there isn't interest in accessing economic development funds through this program, through this instrument by First Nations and Métis people.

Hon. Mr. Hutchinson: — In answer to the member's question, Mr. Chair, whatever the level of funding that's been provided in the last couple of years, it's my understanding that the program hasn't been fully subscribed. And I think what this is indicating to us, if I can offer a general comment, is that as effective as programs may be at their outset, we should never imagine that they will last forever. Times change. Needs change. And in a response to that, programs need to change as well. We should never expect that . . .

[Interjections]

The Chair: — Order.

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. I appreciate the opportunity to conclude my answer to the member's question.

So with my previous comment in mind, I would simply suggest that, you know, people put their best efforts into creating problems. Let's accept that at face value. But as circumstances inevitably change over time, the value, the utility, the effectiveness of them is likely to change. And it shouldn't surprise us that at some point in the future a program like this is less than fully subscribed because things have changed. The program needs to change as well.

Mr. McCall: — Mr. Chair, to the minister through the Chair: is the minister telling the committee that the need for First Nations and Métis economic development has somehow passed or changed with the times?

Hon. Mr. Hutchinson: — Actually no, nothing could be further from the truth, Mr. Chair. I'll repeat what I said before and perhaps it'll be a little clearer in the retelling.

The people who constructed the program originally will have done their very best to accurately understand the need in First Nations communities. That being said, the circumstances are likely to change over time. In fact I think we can recognize that change is inescapable. The only thing certain is that things will change over time, we're often fond of saying.

With that in mind, we should also accept the inevitability that at some time in the future, regardless of how effective and fully subscribed a program might be today, those circumstances are likely to lead to changes in utility in the future. We would want to re-examine things. And governments need to have that sort of flexibility, to keep in mind that their programs will have to change in order to adapt to changing circumstances. That's what I'm saying.

Mr. McCall: — Mr. Chair, to the minister through you of course, you don't have to go very far from this Legislative Assembly or even, you know, at this Legislative Assembly to know for a fact that First Nations and Métis people in this province are crying out for the instruments by which they might better engage in the economy of this province. And in the case of the First Nations and Métis economic development fund, this government and this ministry has seen fit to do away with what has been a fairly valuable tool for the province and for the First Nations and Métis people that seek to engage in the economy.

Now if it was a case where the program had improvements made to it or there was some kind of alternative being offered up that better responded to that urgent desire on the part of First Nations and Métis people in terms of engaging in the economy of this province, if there was a better program being offered, if there were monies being put, you know, perhaps into the Clarence Campeau Development Fund, that would be one thing. But this is a straight cut to a program that has helped to engage First Nations and Métis people in the economic life of this province, and there's no replacement being offered in exchange.

So again to the minister: how is it that they're turning the lights out on a program that has helped to engage First Nations and Métis people in economic development activity in this province?

Hon. Mr. Hutchinson: — Well, Mr. Speaker, I certainly agree wholeheartedly with the member's first statement. If I recall his words correctly, I can paraphrase them as follows. He said you don't have to go far outside of this building to find that First Nations and Métis citizens of the province are in need of some assistance in furthering their goals with respect to economic development. This is an inescapable fact, absolutely. I agree.

But programs should be flexible enough to change with the needs of changing citizens over time. It's been a while since this program was begun. And the government of the day must have the flexibility to review, refocus, redesign when changing needs mandate that. That's really all I'm saying.

Mr. McCall: — So again, Mr. Chair, to the minister, through your good self, it's not like this program is being redesigned to

include better subscription in terms of First Nations and Métis people. It's not like, on the one hand, these funds are being reallocated to, on the other hand, a better, more successful vehicle in terms of providing those much sought after capital dollars to First Nations and Métis people to increase their economic activity in this province. This is a straight cut.

And in terms of this program being brought to an end, I guess it's somehow fitting that the last \$150,000 out of this program, that can't even go forward to the people that are interested in First Nations and Métis economic activity. That \$150,000 is being clawed back in an exercise that is ultimately part of making up for the fiscal mismanagement of this government and the mistakes that have been made with this budget and the way that people have to pay for it in terms of . . .

The Chair: — Mr. McCall, I think the minister has tried to answer the question several times. If you would like, he can answer, if it's his prerogative to answer it again. I don't think this has anything to do with the fiscal part of the province's fiscal position at this time. If you'd like to stick to the vote no. 25, I would appreciate it. I'll give the minister an opportunity to answer if he so desires, but I'd like to move on.

[Interjections]

Mr. Lingenfelter, if you would like to be quiet please, I would appreciate it. If not I would ask you to leave. Thank you.

Mr. Trew: — Mr. Chair, point of order. Point of order.

The Chair: — What is your point of order, Mr. Trew?

Mr. Trew: — Mr. Chair, thank you. My point of order is this. Earlier this evening, the minister talked about accounting changes, unasked for by Mr. McCall. The minister made large, broad statements about accounting changes. You were silent in the Chair. The minute the minister was done, and Mr. McCall had the Chair, he started asking his question. He hadn't even said accounting changes, and you were admonishing him from the Chair that he could not ask a question about accounting changes. My point of order, sir, is what is good for the government, the minister and the government, should surely be equally good for the opposition.

An Hon. Member: — [Inaudible] . . . respond to the point of order.

The Chair: — Yes, Mr. Brkich.

Mr. Brkich: — As this committee well knows, as the members opposite well know — they have been in government even though they may not act like it at times — they know that when supplementary estimates are on, the questions deal with the supplementary estimates. And some of the questions that have been asked here and the answers provided have always been allowed a little bit of leeway on both sides, when they were in government and we were in opposition. Now we're in government, they're . . . But when you start straying too far from the rules . . . And the rules are stated in the book. We're dealing right now with supplementary estimates, and the questions should be running along that line.

The Chair: — The questions and the answers need to pertain to the vote 25, is on the table. The direction of the Chair is that the minister has answered the question. If there's any other questions, we can continue. Mr. McCall, you've got the floor.

Mr. McCall: — Mr. Chair, to the minister. There's \$150,000 that has been clawed back into this, compensating for the \$700,000 that's been needed as part of these supplementary estimates. We asked about the rationale why those \$150,000 were available to be enlisted in this effort, why they're available to be clawed back.

The minister has said that times have changed and to listen to him . . . and perhaps I'm paraphrasing and I'd welcome the . . . you know, perhaps if this is not what he said, then clarify. But we asked him, you know, about the decision made to take this last \$150,000 out of the First Nations and Métis economic development fund. The minister's response was, times have changed.

So is the minister telling the committee that First Nations and Métis people are no longer interested in figures like this \$150,000 that were initially allocated for economic development activity?

The Chair: — The answer that I heard also from the minister, that it wasn't being utilized. But I'll let the minister finish the answer if he so chooses.

Hon. Mr. Hutchinson: — Thank you to the member for the question, Mr. Chair. Yes. Our understanding is that it isn't any longer fully utilized. Now that prompts the question, why would that be? The answer that I am able to offer the member to that question is, it is no longer as relevant and as effective as it was when the program was originally designed.

Now this was a program that was designed by the member's own government in years past with a specific lifespan of five years. If the intention was that the program could last indefinitely and be as effective at any time in the future as it was at the outset, then probably the right decision would have been not to have imposed a five-year lifespan on the thing but just to simply say it goes forever, simple as that. And it was extended an extra year of course, as we all know. It's all a part of the public record as well.

That doesn't preclude the possibility of either redesigning the program or replacing it with something which might be more effective, more relevant to today's changed needs. That's all a part of the budget process which lies ahead of us, Mr. Chair.

Mr. McCall: — Mr. Chair, to the minister: the only new funds that have flowed to First Nations, let alone Métis people, through this ministry have been through the gaming deal that was signed by the NDP government. So in terms of the minister saying that, you know, there's perhaps a better replacement on the way, the record shows that when outside of the gaming deal — which they'd be, you know, hard-pressed to tear it up — but outside of the gaming deal, the net action of this ministry has been to cut the funds they have available to do the work on behalf of First Nations and Métis people.

So you'll forgive us if we're a bit suspect of the minister saying

that there's a replacement on the way. If that was the case in terms of the continual sort of cutting of this program that this government has engaged in from the word "go," you know, where is that program now? And you'll forgive us if we don't hold our breath to the budget to see what comes forward in terms of other vehicles or other programs that help First Nations and Métis people engage in economic development activity.

[22:30]

We've talked about the Clarence Campeau Development Fund at different of these committee hearings. We've heard lots of good things about the work that it does. There's a vehicle that's ready to go in terms of engaging Métis people in the economic life of this province. And what's happened over the past two years? Have they reallocated monies out of the First Nations and Métis economic development fund to that program? They have not.

The Chair: — Mr. McCall, are you tying this to the vote 25 in any way?

Mr. McCall: — Absolutely. Well I find it even more interesting, Mr. Chair . . .

The Chair: — I recognize Mr. Brkich.

Mr. Brkich: — Mr. Chairman, seeing the time of 10:30 . . . if not, the members want to vote this off, we can. If not, we're calling the clock. Would you like to vote it off? We'll give you that option. It's 10:30. It's 10:30 . . . [inaudible interjection] . . . Yes . . . [inaudible interjection] . . . Member, a committee can call it, Sandra. Better listen to the rules and . . . [inaudible].

The Chair: — The clock being called at 10:31, this committee stands now adjourned.

[The committee adjourned at 22:31.]