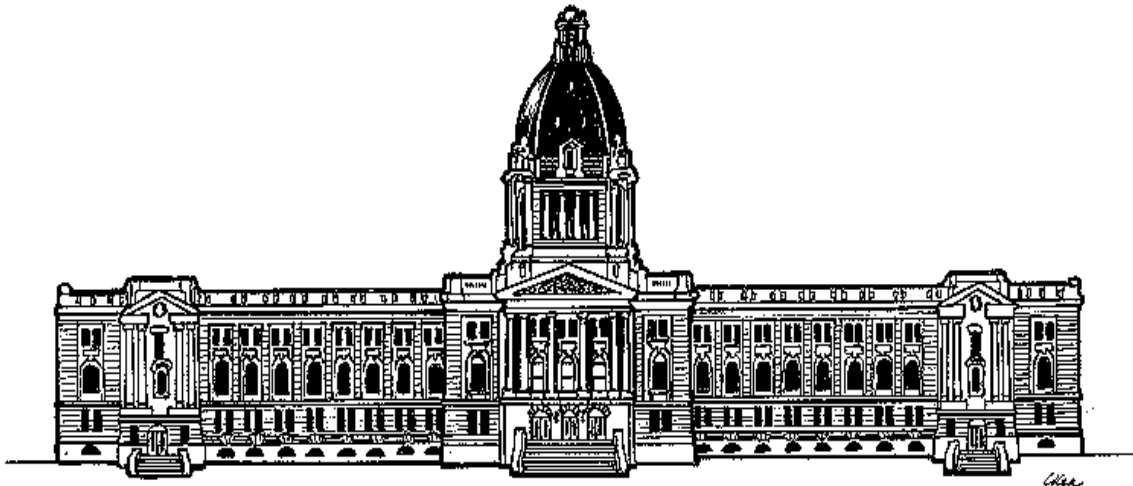




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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Twenty-sixth Legislature

**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND JUSTICE**

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Ms. Deb Higgins
Moose Jaw Wakamow

Mr. Delbert Kirsch
Batoche

[The committee met at 19:30.]

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

Subvote (FN01)

The Chair: — Well the time is now 7 p.m., and this is the Standing Committee on Intergovernmental Affairs and Justice. We're meeting today in consideration of the main and supplementary estimates for the Ministry of First Nations and Métis Relations.

On the committee, my name is Warren Michelson. I am the Chair of the committee. On the committee is Mr. Wayne Elhard, the member for Cypress Hills; Mr. Delbert Kirsch, the member for Batoche; Mr. Greg Brkich, the member for Arm River-Watrous; Mr. Michael Chisholm, the member for Cut Knife-Turtleford; Mr. Kim Trew, the member for Regina Coronation Park; Ms. Deb Higgins, for Moose Jaw Wakamow. Sitting in for Mr. Trew — is that correct? — is Warren McCall, the member for Regina Elphinstone-Centre. We have other members here, Mr. Doyle Vermette and Mr. Kevin Yates and Mr. Cam Broten joining us.

Mr. Minister, we are here to consider the consideration of the main and supplementary estimates for the Ministry of First Nations and Métis Relations. That would be vote no. 25, followed by vote no. 163, and then we'll go back to vote no. 25, the supplementary November estimates that haven't been completed at this point.

Mr. Minister, I would ask you to welcome your guests and introduce your guests. I would also ask your officials, if they are to help you in answering in any questions, that they state their name for Hansard records as they do. But, Mr. Minister, if you'd like to introduce them. And if you have any opening remarks, you may proceed. Thank you.

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. And I certainly extend a welcome to members of the committee and other members of the Assembly. Pleased to be here tonight to discuss the 2010-2011 budget for the Ministry of First Nations and Métis Relations, FNMR for short, as we know it.

First I would like to introduce some of our officials that are here today. Mr. Ron Crowe, deputy minister; Mr. James Froh, assistant deputy minister, and that's on the First Nations and Métis affairs side; Mr. Toby Greschner, assistant deputy minister, Northern Affairs. We also have Mr. Kerry Gray, director, finance, accountability and corporate services; Mr. Richard Turkheim, executive director, industry and resource development; Mr. Mark LaRocque, executive director of social development; Mr. Doug Howorko, executive director, economic programs and policy; Ms. Seonaid MacPherson, executive director of strategic initiatives; Ms. Trisha Delormier-Hill, executive director, lands and resources; Ms. Giselle Marcotte, executive director, Aboriginal policy and operations; and also Ms. Bonny Braden, director of communications.

I do have a few brief opening remarks that I'd like to share with

our members tonight. FNMR's budget for the year 2010-2011 is \$85.7 million which is a decrease of \$1.8 million or 2.1 per cent from last year, due primarily, as many will know, to a drop in gaming profits from the Saskatchewan Indian Gaming Authority. Our budget ensures that we can continue funding our many ongoing initiatives throughout our ministry. And I'll speak a little bit more about some of those in further detail in just a moment. We also have the opportunity to embark on several new directions which I'll describe as well.

It's fitting that during the Year of the Métis — which was declared in this Assembly just a couple of months ago — we are honouring the fine work being done by the professionals at the Clarence Campeau Development Fund, or CCDF for short. Our budget delivers a long-awaited increase of \$1.4 million to the CCDF for a total of \$3.4 million. And that's a full 70 per cent increase, by the way, based on this year's forecasted Saskatchewan government corporation — I think that's Gaming Corporation — profits.

The new funding ensures that the CCDF can protect its core programs and also makes it possible for the fund to pursue a range of new economic opportunities. Members may know that we had virtually a half-day meeting with officials from CCDF a little while ago. I must say for the record that I was thoroughly impressed with their effectiveness, their accountability, and their professionalism.

We're also very excited to be able to provide funding in this budget to a new venture that will better serve the North. An effective way for us to nurture economic vibrancy in our province, we feel, is to move forward with three brand new northern enterprise regions, an innovative new tool that northerners will use to leverage economic development opportunities. The ministry's budget is providing \$1.4 million in total to support these three new northern enterprise regions. The new funding makes it possible to fully implement the northern enterprise regions to work with stakeholders in key sectors to increase business and industry competitiveness and support the North in reaching its economic potential and compete globally.

We're also working to find solutions with northerners in another sense as well. Our ministry recognizes the diverse and complex issues and opportunities in northern Saskatchewan and is developing a plan of action to address social issues across the North, including the establishment of a northern social development branch. The engagement and direction from northerners will be essential in this plan of action. Government's approach will be a collaborative effort involving northern leaders and communities, non-government organizations, ministries across the provincial and federal government, and industry itself. FNMR looks forward to working with northerners in the months to come.

We are also focusing on the North through our support of northern Saskatchewan's commercial fishers' efforts to transition from a monopoly marketing agreement with Canada to an open, competitive market and support their exploration of alternative models that will broaden processing and marketing operations for their catch.

Now along with these new initiatives, the budget sustains \$3 million in new funding for the First Nations and Métis . . . No, sorry. This is a continuation of funding for the First Nation and Métis Consultation Participation Fund to ensure that duty to consult obligations are met and that relationships with First Nation and Métis communities are strengthened. We are continuing with our work on the consultation framework policy, which will be released this spring.

In ongoing programming the 2010-2011 budget dedicates \$4.9 million in funding to meet the government's financial obligation pursuant to TLE or treaty land entitlement agreements, and these are some of the highlights from our ministry's budget.

We're determined to continue the fine work our ministry does every day to serve the people of Saskatchewan, and at this point, Mr. Speaker, Mr. Chair, I'd like to turn it over to questions for members of the committee.

The Chair: — Thank you very much, Mr. Minister. Is there questions from the committee? I recognize Mr. McCall.

Mr. McCall: — Thank you very much, Mr. Chair. Mr. Minister, officials, welcome this evening. I thought last time, the third time, would have been the charm. It's good to have you here on the fourth effort to get these estimates under way. I guess just to set a bit of a benchmark for the hearing of these estimates, could the minister acquaint us with the mission statement for his department.

Mr. Crowe: — Good evening. It's Ron Crowe, the deputy minister of First Nations and Métis Relations. Just to quickly read through our mission statement:

The Ministry strengthens relationships between First Nations and non-First Nations peoples in the spirit of the Treaties and ensures that First Nations and Métis peoples are consulted on provincial legislation and policies that may impact their legal rights and interests. The Ministry works with and beside First Nations, Métis and northern peoples, colleague ministries, the federal government, local governments, and business to ensure that Saskatchewan First Nations and Métis peoples and northerners have opportunities to participate in and benefit from economic and social development.

Mr. McCall: — Thank you very much, Mr. Deputy Minister. Mr. Chair, that's found of course in the plan for 2010-2011 as well, would it not?

I guess if you could, for the edification of the committee, take us through the expenditures contained in this year's budget, if you could provide some of the detail in a more point-by-point basis. And I guess we'll start with the, again, the minister attributes the drop in financing available to the department from \$87.559 million to \$85.74 million. Was it entirely gaming that accounts for this reduction in expenditure?

Hon. Mr. Hutchinson: — Mr. Gray is going to lead us through some of the details, Mr. Chair.

Mr. Gray: — Kerry Gray, director of finance, First Nations and Métis Relations. Indeed the drop in gaming revenues resulted in

a drop in our budget of 568,000. There were other decreases as relate to a drop in loan loss allowance of 220,000, the ending of a program, economic development which was sunsetted, and Aboriginal economic development which was ended, which had 619,000 for operations and 441,000 in grants. Those would make up the reductions in the overall budget.

Mr. McCall: — Is the official sure of that answer?

Mr. Gray: — I'm somewhat confident.

Mr. McCall: — Not to be difficult, but one of the main initiatives out of the department over past years has been Aboriginal employment development. Perhaps you'd misstated economic development as one of the reasons for the cut in the expenditure.

Mr. Gray: — I think what I said was economic development and Aboriginal employment development. I misspoke. Yes, so it would be Aboriginal employment development and the economic development program.

Mr. McCall: — Okay. So to be clear for the committee, what was the cuts in economic development and what was the cuts on the employment development side?

Mr. Gray: — The Aboriginal employment development program had a total budget change of 787, a decline of 787,000. And the economic development grant program, which wasn't cut but was just a sunset, came to expiry of its life, was 842,000.

Mr. McCall: — I thank the official for the answer. Moving to page 80 in vote 25 of the First Nations and Métis Relations estimates, under central management and services, under accommodation services there's a reduction in expenditure of \$550 million. If the minister or officials could say for the record what that pertains to.

Hon. Mr. Hutchinson: — Mr. Gray will answer that question.

Mr. Gray: — The 2009-10 budget under accommodation services, the 1.199 million included 550,000 to consolidate the two Regina offices for renovations and moving costs. That was a one-time budget allocation and was not included in this year's budget.

Mr. McCall: — Thank you. Moving into policy coordination and support for Aboriginal organizations, under allocations for policy and coordination there's a reduction in expenditure for \$619,000. Could the official or the minister explain what that reduction in expenditure represents, which organizations are impacted, how does it play out.

Mr. Gray: — The 619 is operating dollars — salary and operating — for both the economic development program and Aboriginal employment development program.

Mr. McCall: — Under support for Aboriginal organizations and issues, there's a reduction in expenditure of \$441,000. Would the minister or officials care to explain that reduction in expenditure?

Mr. Gray: — Reduction in transfers or grant programs, the two programs specifically are the Aboriginal employment development program, 314,000, and the Aboriginal urban management program, 127,000, for a total of 441.

Mr. McCall: — How many groups would be impacted by the reduction for both items? How many, particularly on the urban management agreement side, how many organizations were affected by that decision?

[19:45]

Mr. Gray: — To answer your question, from '09-10, the answer to it would be zero parties would be impacted.

Mr. McCall: — Perhaps I could restate the question then. How many groups that have received that funding in the year previous are affected by the decision to zero that amount?

Mr. Gray: — Year previous to '09-10? Like '08-09?

Mr. McCall: — Yes. I guess perhaps in the interests of time, if it's taking this long to get an answer on a relatively small expenditure within the scope of the ministry, if the minister could undertake to provide a list of the affected organizations and the amounts that they'd received year previous to the committee, that might expedite matters.

Hon. Mr. Hutchinson: — Mr. Chair, if I understand the member's question correctly, he would like us to report on which organizations might have been affected from the year previous, i.e., the '08-09 fiscal year.

Mr. McCall: — Actually '09-10.

Hon. Mr. Hutchinson: — '09-10?

Mr. McCall: — The previous fiscal year.

Hon. Mr. Hutchinson: — The year previous to the '09-10 . . . [inaudible].

Mr. McCall: — The year previous to the 2010-2011. So that amount has been zeroed for the 2010 estimates, 2010-2011 estimates. Which organizations received that amount in the year previous?

Hon. Mr. Hutchinson: — In the year previous, which would have been '09-10, and I believe the answer is none.

Mr. McCall: — So perhaps Mr. Gray could account for why he included that amount in the answer to begin with.

Mr. Gray: — Sorry, I can't hear you.

Mr. McCall: — You included the amounts for the urban management agreement in your answer off the top. So if it wasn't in this year's expenditure and it wasn't in last year's expenditure, why did you list it for the committee?

Mr. Gray: — The dollars that we're talking about are budgeted dollars, okay. So the change in budgeted dollars, not actual expenditures, were related to the Aboriginal urban management

program. So in going forward '10-11, that program no longer exists. And you asked what the difference was between '09-10 and '10-11. The difference was part of that being \$127,000 that was budgeted for Aboriginal urban management program. In the year '09-10 that program was under review, and there was no actual expenditures to organizations for that program. So the answer to your question is zero in that, compared to last year, what organizations were impacted.

Mr. McCall: — Well I thank the official and the minister for that response. I'd asked what the reduction of \$441,000 represented in that line item in the estimate, and that was the response that you'd given. The new information that you've given us is that it was under review for the year previous, and as such, there's a dollar amount allocated but not expended. So thank you for enlightening the committee as to that.

Moving along, in the gaming agreements there's a reduction of 1.995 under the First Nations gaming agreement. Does the minister or the officials have any comment on what that reduction represents?

Mr. Gray: — The reduction, 1.9 million is directly related to anticipated lower profits for SIGA-run [Saskatchewan Indian Gaming Authority Inc.] casinos and their operations.

Mr. McCall: — I guess, not to jump around on the minister and officials, but it occurs to me, moving back to the previous item, what happened to the \$127,000 that was to be expended under the urban management agreement? Was that returned to the GRF [General Revenue Fund]? Was it reallocated internally? What happened with that money?

Mr. Gray: — These dollars were expended for other urban events that were closely related to urban management initiatives. And it wasn't a dollar-for-dollar allocation. But some of the examples would have been under youth leadership, cultural activities, honouring veterans, literacy initiatives.

Mr. McCall: — Given that it was . . . Could the minister undertake to provide an itemization of the way that those dollars were re-expended?

Hon. Mr. Hutchinson: — Well thank you for the question, Mr. Chair. We can certainly at this point provide a little bit of extra detail. There were 18 grants in total that were reallocated for youth leadership events. There were three grants with respect to cultural promotion. There were four events supporting women. There were two events supporting literacy, four events supporting and honouring veterans, 25 cultural activity events, and two policy and research events. So that brings the total number of events that were supported by these dollars to 58. So hopefully that's a little bit more helpful in terms of providing detail to the member's question.

Mr. McCall: — Surely the minister will understand that the headings under which he's itemized the expenditure are fairly broad. So by cultural events, what does the minister mean? Does that mean these funds went to pay for the feasts of the legislature last year? Or what is the minister referring to?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair, for the question. Sometimes a little bit of homework reveals a lot of

interesting information. I have what I believe to be a complete list of the events that were supported with these reallocated dollars.

Canadian Métis Heritage Corporation, and it's to offset costs associated with hosting Where the Hurt Ends, Where the Healing Begins. This is a youth conference which took place in Nipawin, May 7th to 8th, 2009.

Mr. McCall: — We've only got so much time so perhaps the minister, in the interest of making sure that we have a full airing of the expenditure with his ministry, if he could table that document with the committee and we could move on to another question.

The Chair: — Mr. Minister, did you . . .

Hon. Mr. Hutchinson: — Certainly we can provide the information to the member at a later date, yes we can. The officials are nodding in agreement, certainly.

A Member: — [Inaudible] . . . understanding that's what you wanted, Mr. McCall.

Mr. McCall: — If the minister could table it with the committee right now, would that be such a hardship?

Hon. Mr. Hutchinson: — We could have it copied and distributed at this point.

Mr. McCall: — We have the means, Mr. Chair. Thank you, Mr. Minister. Returning to the question of First Nations gaming agreement and the projected reduction of nearly \$2 million in revenue, can the minister identify for the committee any other years in which there's been a reduction to the amount realized under the First Nations gaming agreement for this line item?

[20:00]

Mr. Gray: — We're not aware of any other year that this has happened.

Mr. McCall: — So I guess it begs the question for the officials and the minister, Mr. Chair, what's the significant factor this year that's resulting in a, by your account, unprecedented reduction in gaming revenue under this agreement?

Mr. Gray: — The details are probably best provided by the minister for Saskatchewan liquor and gaming association. Our understanding is that revenues are pretty close to what they were in previous years, but that expenditures are higher and related to operating costs for a new building in Yorkton and the Living Sky Casino in Swift Current.

Mr. McCall: — An increase in operating costs. Am I hearing that correctly from the official, Mr. Chair?

Mr. Gray: — Correct.

Mr. McCall: — Again it's not in the scheme of a \$10 billion budget. These aren't huge amounts of course, but in the scheme of an 80 million-plus budget, it's a fair amount. It's also unprecedented and affects the monies that this ministry has to

administer. So does the minister or officials have any other insights as to why the reduction in this unprecedented fashion for the monies available under this agreement?

Mr. Gray: — The information that we receive is really at a summary level. And so the detailed information, again I would say that, you know, the Minister Responsible for Sask Liquor and Gaming could answer that in greater detail. As I indicated, it's our understanding that the major drivers is because of increased expenses related to the capitalization of a new building in Yorkton, and Living Sky Casino in Swift Current that is currently not yet profitable.

Mr. McCall: — Thank you to the minister and the officials. Moving to the Métis development fund or the Clarence Campeau Fund, certainly I want to go on record stating that we think this was a good increase in the budget — one long overdue, one which we've discussed in these committee hearings for the past number of years. Certainly the official opposition is on record as thinking this is a fund that needed to be addressed in terms of an increase, so we're glad to see the increase in the budget. And I'd certainly go on record commending this increase in expenditure.

And again, that's why we look on what's happened with the First Nations gaming agreement with some serious interest because of course the reduction in dollars available under that agreement are even greater than the increase to the Clarence Campeau Fund. Could the minister or the officials explain to the committee where those new dollars were found?

Mr. Gray: — The funding is a result of moving away from a previous arrangement that provided a static amount, as you're aware, of \$2 million every year and moving towards a formula-driven arrangement that sees the CCDF share with the Community Initiatives Fund 25 per cent of the profits from the Sask Gaming Corporation. Historically Community Initiatives Fund has always received 25 per cent, less 2 million. Going forward they will now share the 25 per cent. On the first \$10 million, there will be an 80/20 split, \$10 million profit from Saskatchewan Gaming Corporation. And on profits higher than that, the split will then be 50/50.

Mr. McCall: — Thank you to the minister and officials. And that will be the agreement going forward? Will there be a necessary amendment made to the gaming framework agreement, or will it necessitate any sort of change in that regard?

Mr. Crowe: — Thanks for the question. Just briefly that there are no changes required to the gaming framework agreement with the FSIN [Federation of Saskatchewan Indian Nations] because the revenues that are derived to fund the initial 2 million and the percentage after that is from the 25 per cent of the Saskatchewan Gaming Corporation profits which are separate from the GFA [gaming framework agreement] with the FSIN, and no legislative changes are required.

And what we've been able to do is work with Tourism, Culture, Sports and Parks or TCPS, pardon me, to facilitate the agreement in coming to this type of arrangement to provide additional revenues in good years for the CCDF.

Mr. McCall: — I guess that begs the question, does that necessitate a parallel reduction in monies available under the TCPS funding?

Mr. Crowe: — Just a quick answer is that in years that there's a, that operations at the Saskatchewan Gaming Corporation, there is the opportunity to extend beyond the \$2 million with the additional amounts. And if there are reductions, then that would be also part of . . . But that would be a significant amount of reduction in any kind of revenues, and we don't forecast that in the next three to five years based on forecasts that we've been able to look at anyways.

Mr. McCall: — Well, I guess that we don't . . . I don't know that I find that terribly reassuring, Mr. Deputy Minister. I guess additionally, given the relation of these funds to the Community Initiatives Fund as outlined off the top, I don't know if the minister or officials are aware of the report on financial statements of Crown agencies for the years ending the 2009 calendar year, a document that was tabled with this Assembly last week by the Provincial Auditor. But on page 3 of that document it provides a summary of the different Crown agencies, their appointed auditors, their different year-end dates, and whether or not they'd participated in an audit, and whether or not the financial statements are reliable.

For the great majority of the agencies under consideration, the financial statements are reliable. But the opinion of the auditor comes back that the Community Initiatives Fund, year-end March 31st, 2009, their financial statements are not reliable. So what are we to make of this, Mr. Minister? Again, we're always happy to, you know, and we're on record urging an increase to the Clarence Campeau Development Fund. And again, we're very interested as to where the money's come from. But in terms of the connection with the Community Initiatives Fund and the financial statements being judged to be not reliable by the Provincial Auditor, what assurance can the minister or officials provide for the committee that that \$1.4 million increase that's been long sought after will in fact be realized and that a mistake somewhere else in government and in other funds that are related to the provision of these monies won't impact that money going forward?

Mr. Froh: — I have to introduce myself. My name is James Froh. I'm the assistant deputy minister. I can't speak to the auditor's report because I haven't read it, and I'm in no position to comment on its reliability. What I can tell you though is in negotiating or having discussions with Tourism, Parks, Culture and Sport, concerns from both ministries were protecting the core programs of both funds, and that's what this formula has arrived.

The sustainability of the CIF or the Community Initiatives Fund requires approximately \$10 million, 8 to \$10 million annually in order to deliver. But historically it's been closer to eight. At the same time that they've been able to launch or to create a reserve fund in order to control, I think, market fluctuations in profit forecast, and they have recently just initiated a new vitality program utilizing some of those surplus funds, and that even with this formula protects their base program as well as supports their ongoing, for the next three years, their new initiative.

So it's with, it's I think it's a win-win situation for the Community Initiatives Fund in terms of protecting their programs, allowing them to expand into their new program area. As well it also enables Clarence Campeau Development Fund to really pursue opportunities, economic opportunities for Métis people in the province. And I think the reason, the rationale behind the 80/20 split on the first 10 million was to protect those core programs, historically.

Mr. McCall: — Again, Mr. Chair, we don't have a problem with that so much, but we want to make sure that good news is in fact good news and that stated plans are carried out over the foreseeable future as has been identified here. And again the relationship with the Community Initiatives Fund and the fact that the auditor, the Provincial Auditor who generally has a pretty good track record in these things, has stated that the financial statements of the Community Initiatives Fund are not reliable for the year under audit, March 31st, 2009. And that's as of last week.

[20:15]

So again in terms of the funds being available at this amount going forward, has there been a cheque cut for the Clarence Campeau Development Fund? Are those monies in their hands or is it to be released over a quarterly basis? Or if something goes wrong with the Community Initiatives Fund that . . . I don't know what the auditor found unreliable about the books but does Clarence Campeau Development Fund pay the price of mismanagement of the financial statements of the CIF? What guarantees can you provide the committee that that won't happen?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Officials will be able to discuss in further detail the timing of release of monies to the Clarence Campeau Development Fund, CCDF, but what we can say at the outset is that, despite whatever condition the finances of the Community Initiatives Fund might be, whether positive or not so positive, that doesn't actually affect the dollars that go to Clarence Campeau.

The dollars don't come from CIF to CCDF. The dollars come from gaming operations and then can be split in whatever proportion it is decided between those two other groups, CIF on the one side and CCDF on the other. What we're really simply proposing here is to change the proportions somewhat so that more dollars would go to CCDF than would go in the past.

Again, all of those dollars come from gaming operations. They come directly from gaming to Clarence Campeau and they don't go through CIF. So if there happens to be some sort of an issue with respect to the finances of Community Initiatives Fund, it shouldn't have any impact actually on the success or the funding for CCDF.

Now as to the timing of the release of the dollars, I'll certainly ask officials at this point for some clarification.

Mr. Gray: — The payments under the gaming framework agreement are made quarterly. The first payment wouldn't be made until the end of the first quarter which would be the end of June.

Mr. McCall: — I'm sorry. One more time, Mr. Official.

Mr. Gray: — Sure. The payments under the GFA — gaming framework agreement — are made on a quarterly basis and the first quarter payment wouldn't be made until the end of June.

Mr. McCall: — So again, if something goes wrong with the splits between the Community Initiatives Fund and the Métis development fund, as it's described in the estimates, those monies are paid on a quarterly basis and it's a quarter by quarter we'll see what happens in terms of the payment being made. Would that be a fair description?

Hon. Mr. Hutchinson: — I would probably choose slightly different words. I think it's important to remember that the dollars that arrive in the pockets, in the bank accounts of the CCDF, don't come from CIF. So whatever the financial health of that particular organization is, it isn't going to affect what's going on with CCDF. Whatever number of dollars they were supposed to get, they'll get.

And as Mr. Gray mentioned, they're distributed on a quarterly basis, the first quarter ending at June 30th. So whatever is going on at CIF, that's a completely independent case and shouldn't have any effect on the revenues that CCDF sees throughout each and every one of the quarters to come.

Mr. McCall: — Well I guess we'll have to agree to disagree, Mr. Minister, in terms of the . . . At the outset you've, you know, described the relationship between the CIF and the Clarence Campeau Development Fund, and, with respect, I think there is a relationship between what happens with the one fund on the one hand and what happens with dollars available on the other. But in the interests of time we'll move on to our next question.

With regards to treaty lands entitlement, there's an increase of \$6,000 forecast for the year to come. There are two TLE agreements as per the outline plan for the department. Is there any other activity anticipated that's not described in the broad outline made available by the department under treaty land entitlement activity?

Hon. Mr. Hutchinson: — Our officials are trying to decide who's in the best position to answer that particular question for the member, Mr. Chair, and would appreciate the question being repeated for their benefit.

Mr. McCall: — If the minister could, I know there're a couple of bullets in your plan for treaty land entitlement activity on the part of the ministry. If the minister or officials has any information to add to that in terms of planned activity for the treaty land entitlement branch of the ministry for the year to come, that'd be great.

Mr. Crowe: — Thanks for the question. As you probably know, there are currently 33 treaty land entitlement First Nations. Of the 33 First Nations, 28 received their full settlement amounts. The remaining five continue to receive payments pursuant to the payment schedule of their individual agreements. And the total value of the 33 agreements is 595 million. It allows for the First Nations to purchase up to 2.3 million acres for reserve creation purposes.

We continue to meet our obligations under the framework agreement. We continue to work with our partners in this — the federal government and of course the First Nations that are affected. And our role continues to move along through the process, whether they be selections or in some of the addressing of issues that need to resolve some of the issues moving lands in to reserve status. So we continue to fulfill the commitments outlined in the 1992 framework agreement and continue to ensure that our obligations are met.

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Just one further detail that I can add to the deputy minister's explanation. Our notes show that a total of 765,157 acres have actually attained reserve status under the TLE process since beginning of 1992 — an interesting fact to keep in mind.

Mr. McCall: — Just out of curiosity, and we'll be coming back to this further in the questioning, but a couple more questions on this theme and I'll be ceding the floor to my colleague from the North. What is the relationship of land that is under dispute in *The Wildlife Habitat Protection Act* to the treaty land entitlement process or to the specific entitlement agreement process?

Ms. Delormier-Hill: — Good evening, I'm Trisha Delormier-Hill, the executive director of lands and resources with FNMR. In relation to your last question, the process in relation to treaty land entitlements selections vis-à-vis *The Wildlife Habitat Protection Act* are that the Ministry of Environment makes efforts to ensure that if a First Nation selects land that would be under that designation, that to the extent possible, they can make that available.

Mr. McCall: — So what involvement has the Department of First Nations, Métis Relations had with the development of the amendments to *The Wildlife Habitat Protection Act*?

Ms. Delormier-Hill: — We were consulted and we were assured that the process for TLE would not be impacted.

Mr. McCall: — And again to understand the official clearly, if lands are made available under *The Wildlife Habitat Protection Act* to, well to give a for instance, if there's a rancher that had a lease arrangement with a certain piece of land under the WHPA [*The Wildlife Habitat Protection Act*] and there's also a TLE band or a specific claim that is levied against that land, what happens then under the changes being made to WHPA?

Ms. Delormier-Hill: — In that instance I can only speak to the aspect of the treaty land entitlements side, that that selection would proceed to the extent that it would normally proceed, which is subject to conditions. And the conditions of offer to make the land available, Crown land available would have to be dealt with in the usual way, i.e., if there's interest on the land, like a lessee interest, that has to be dealt with by the First Nation before they could proceed to fulfill that offer to purchase the land.

Mr. McCall: — So in terms of the concerns that have been registered about *The Wildlife Habitat Protection Act* amendments by First Nations, and as regards its relationship to the treaty land entitlement process, is the official telling the committee that they have nothing more to worry about?

Ms. Delormier-Hill: — I am not familiar with the complaints registered by First Nations in that regard to speak to it specifically, but we would proceed as we would normally through the TLE process to make those lands available, and they would still have to deal with the normal conditions.

Mr. McCall: — Thank you, Madam. At this point, I'd cede the floor to my colleague, Mr. Vermette.

The Chair: — Thank you, Mr. McCall. The Chair recognizes Mr. Vermette.

Mr. Vermette: — Thank you, Mr. Chair, to the committee. Minister and your staff, I won't give any compliments. And it's unfortunate I can't do that even if I wanted to because unfortunately when you do that, it comes back to haunt you. People use that on you. It's an interesting, you know, tactic that was used, and that's unfortunate. But anyway, having said that, if I have any compliments, I'll do it individually as I see individuals.

I look at the document, and it's an interesting document when you look at First Nations and Métis Relations, and if you look at the actual budget document. I would like to ask, who had the input into the wording that accompanies the columns? And as we go through them, there was a kind of a brief description of, I think, the department or the area that we're going to talk about. There are some comments made in the document, and I would just like to know who provided those documents or the wording for this document, Mr. Chair.

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. While we're disappointed that the member can't find compliments to offer with respect to a document that very significantly increases opportunities for development of the North, we certainly respect his opinion, even if we don't accept it.

But we would ask that if he would like to get an answer to that specific question, we would like an example that we could attack here. It's a general comment, but we're unable to provide an answer to it without a little bit more specificity. If the member could be a little bit more specific in his question, we'd be delighted to accommodate him.

Mr. Vermette: — Okay, Mr. Chair, I'll go this way. In the document, you talk about the opportunity and the working that happens to consult First Nations and Métis, and you talk about employment opportunities throughout this document. There are nice words in here. And I have to be honest with you, Mr. Minister: it's not being felt out there that that process is happening. I mean it's worded in here very nicely. But it isn't what reality, what we're hearing and what I'm hearing from individuals. And that's very clear. So I know that. So why would this document say such things if people aren't feeling that?

Hon. Mr. Hutchinson: — Well, Mr. Chair, thank you so much for the question. I'll give a specific answer that I think will be illustrative and helpful in order to increase the member's understanding of the situation as we see it. Let's talk for example about the creation of the new northern enterprise regions. It's about a year in the making. A very extensive

amount of consultation was undertaken in order to feel the pulse, if you will, of northerners and to find out what they were thinking.

[20:30]

I've got a couple of notes here that I think will be helpful. It provides a little bit of factual information that goes right to the heart of what these consultations were all about. We feel that full and fair consultation was actually achieved in that particular case, and we'll be happy to share the details with the member and the committee as soon as I can put my finger on it.

I'll just read a couple of notes that might help the member understand. Yes, of course we're excited about the new program. So we know that northerners are. In fact they are the ones that told us that they needed them, that they wanted them, that they were looking forward to them. So they are in fact excited about them too.

We had, from January to March of this year, we had three working groups so that's one for each of the emerging regions. The original thought — this of course speaks right to the heart of the value of, and to the extent of the consultation — a preliminary thought was that perhaps there ought to be two enterprise regions in the North: one up on the west side of the province, one including the east side and also wrapping around the top of the map, including the Athabasca Basin.

It didn't take long before consultation with folks in their different communities said quite clearly, that's not the best way to do it, that the Athabasca Basin has a different kind of an economy, a different commutershed if you will, to use the economic development parlance. And they said, what we're advocating for is a third economic development region. So a third economic development region was imagined and agreed to right from the outset of these consultations.

We had terrific turnout to the discussions in each of the communities. And here's a brief summary for the member's information. Fifteen consultation meetings were held in central locations. One hundred and thirty-eight people representing 25 communities and 60 organizations attended. Now I've got a list of the communities that were actually involved here: Air Ronge came and Beauval, Black Lake, Buffalo Narrows, Cole Bay, Creighton, Cumberland House, Denare Beach, Fond-du-Lac, Green Lake, Ile-a-la-Crosse, La Ronge, Meadow Lake, Patuanak, Pinehouse, Stony Rapids, Uranium City, and Wollaston Lake. So with respect to consultation, Mr. Chair, I submit that a tremendous amount of consultation was undertaken. Not only were these meetings held for the benefit of hearing from people directly from the North, but also there were a lot of other follow-up consultations.

And we even took the extraordinary step of hiring outside consultants, a different one for each of the three emerging enterprise regions, so that they would have their own group to chat with on an ongoing basis so that there would be dialogue that was going on, not just at one particular point in the process — the development of the enterprise regions — but all along the process, from beginning right through to the very end.

So I think we've had a tremendous amount of consultation on

this and there is absolutely no doubt in our minds that the people that we were talking to — the economic development leaders and community leaders, First Nations and Métis citizens of the North — made it abundantly clear that this is precisely what they want. They are excited about it, and they're delighted that it's going ahead in a timely sort of a fashion, that in fact the dollars for it have been included in this current budget.

Mr. Vermette: — Maybe you can table that document you have with the committee too so we can get copies of that. Would be nice. I thank you for that, if you do would do that, Mr. Minister.

And I have a further question. If that's the case and you look at northern . . . the enterprise regions you're going to propose, I don't believe they're operating. So I just want to have an answer that, are the three enterprise regions in the North operating right now? How successful?

Hon. Mr. Hutchinson: — First thing we need to clarify, Mr. Speaker, I'm not so much reading from a document as simply providing specific information that we can recall. There is a list of communities which we can certainly provide to the members so that the member actually knows exactly which destinations the consultations happened in and that would be a document that we're very pleased to share. With respect to the timing, I'll consult with my officials and we'll have an answer in just a moment.

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Mr. Howorko will be answering this particular question for the member.

Mr. Howorko: — To answer the question, the enterprise regions are in the process of operating. Monies or applications from each of the three regions, they went through a strategic planning process as the minister pointed out and made application to the ministry. Contracts have been signed by our ministry and sent out to each of the three enterprise regions. Two of them are signed already and have been sent back to us, and we are in the process of making payment to two of the enterprise regions, which should take place within the next couple of weeks.

We will provide approximately two-twelfths of the funding until budget is passed, upon which we'll provide 50 per cent of the funding. We're expecting the third enterprise region to have their contract signed and submitted to us this week.

Mr. Vermette: — Thank you, Mr. Chair. The allocation of \$1.4 million for three enterprise regions to start up north, whether they can apply . . . and I appreciate that information. And the third one is applying. Can you tell me what their budget will be for the year then? Could you break that down? Are they going to have different budgets or are they going to be treated the same or will it be different?

Mr. Howorko: — To answer the question: the funding for the three enterprise regions in the North, a funding formula was established through Enterprise Saskatchewan. The program was adopted by the Ministry of First Nations and Métis Relations that we would handle the administration and management of the enterprise region program. The funding formula was set to

ensure that there was fair, equitable, and predictable funding for enterprise regions over the long term.

Funding for the three enterprise regions in the North, we do have on the west side, that is the new enterprise region, there is the boreal west enterprise region. A funding formula has been set at \$100,000 per region as a base-funding amount. Population funding on a per capita basis was also established at \$3.25 per capita. Geography funding per square kilometre was set at \$1.164 per square kilometre, and as well as an additional matching funding has been established for each enterprise region of \$100,000. So if the enterprise region was to raise money, 50 to \$100,000 or 100, we would match the additional \$100,000.

Approximately that works out for the three regions. The west side, which is the boreal west enterprise region, would have a provincial contribution of \$363,825. Assuming they had raised their matching, they would have an operating budget of \$463,825, of which they would use to hire staff, to have office locations, to travel within the region, to coordinate board meetings, to develop strategic plans, etc. The other . . . and to work on projects. The east end, the east side area — which is now referred to as the Churchill River enterprise region which has been formed — would have a provincial contribution of \$404,149 of which, with their own 100,000 matching, would have an operating budget of 504,149.

Hon. Mr. Hutchinson: — Could you just go through that and explain how it comes out to be a different number then?

Mr. Howorko: — Yes. On the three regions . . . On those two regions, why funding is different is the fact that there is a population in a square kilometre adjustment. There's a difference of . . . In the west side we have a population of about 11,405 residents. On the east side, the Churchill River area, there is a population of 19,013 residents. As well as area per square kilometre, the area in the west side is a little bit smaller at 108 900 square kilometres and the east side area, the Churchill River's 122 000 square kilometres.

The third enterprise region is the Athabasca region which is in the far north. There is a total funding of provincial government contribution of \$314,624 of which, again upon their own \$100,000 matching, would have an operating budget of \$414,624 of which to conduct economic development services, planning, and activity within their region.

And the justification of why that the funding is a little bit lower for the Athabasca is the fact that population is only, according to a 2006 census, was 3,501 residents. And it has an area square kilometre representation of 88 700 square kilometres. And so that's the reason for some of the justifications of difference in funding for each of the three regions.

Mr. Vermette: — Okay. Thank you for that. I guess you give a good explanation of the way the formula is. But if I look at the cost, and maybe for the minister . . . I know he's made quite a bit of a hurrah about enterprise regions going to come in and that's what's going to save the fishing industry, and he's worked for the trappers, they'll work with different organizations.

So all these things that I've heard from the minister in different comments and press releases was that these enterprise regions, and the three regions, were really going to do a lot for the North. And the expectation that I guess you put out there in your press releases, and I've listened to them, the audio as well — and I've seen some of the written news releases you put out — you make it very clear you're excited and, you know, you've kind of made that point very clear and well known.

[20:45]

And I'll say I hope that the budgets that are here, and knowing the North the way I do know the North — and I can argue that on some of the boards I've sat on, the costs are huge when you talk about staff and travelling — to try to accomplish what I heard you expressed your view of the enterprise regions were going to do for the North with the budget that I see here, I'm sorry to say I think at the end of the day you're going to understand some things that are different about the North than they are in other areas.

And I don't mean that in a negative way. I just mean that you're going to have a good understanding that the costs are huge. It's just . . . You look at rent and if you're talking about staff, hiring staff out of this budget, and rent and everything else and travel, and are they going to get a phone?

Because I'll tell you something I don't see, to be honest with you, that this budget's going to cut for three northern enterprise regions to deal with all the things that I've heard that are going to get dealt with. So I'm a little concerned.

Then I hear the different organizations . . . I don't know if they're going to apply and get to apply for any funding. The trappers or the commercial fishermen or any other organizations that's in the North — can they apply to this enterprise regions for help? I'm just not sure. And I think some people are . . . It's not very clear to them, Mr. Minister, that is that what this enterprise regions are going to do. Are they going to provide some loans and money? Because I'm sure you'll have people wanting to get in on the money. But I don't see, if this is their budget that is getting allocated for the full year, I don't see how they're going to accomplish all the things and excitement I've heard that's going to go on.

I think the expectations out there at the end of the day are going to be kind of sad. And I'd hate to say it that way but — that's just from my own experience, knowing the cost of doing business in the North — it is. The costs for some reason are just so much higher, whether travelling and some of the conditions on vehicles, the maintenance, flying. So when I look at that, the cost of bringing in supplies and goods and services, the costs go . . . Anyway I guess my comment, I'll leave it at that and see what your officials and yourself say, Mr. Minister.

Hon. Mr. Hutchinson: — Well there are a number of points that the member stated in his words there, Mr. Chair, and we would like to address them all in turn if we could. The first thing I would like to do is to simply offer a general comment in response to the general comment.

It's great that we're excited about the programs — and we truly are, there's just no question about it — but what's of far greater

importance is, what do the people of the North think? What do the people who are actively involved today in economic development in northern Saskatchewan, in whatever region we're talking about, what do they think? What they think is what they've told us, and that is that they're also excited about this. They haven't seen anything like this before.

If I can put it this way, I think one of the comments that our facilitators in each of the three emerging regions in those discussions heard loudly and clearly on an ongoing basis was, great; we've heard about the enterprise regions that have been established in the South, and we were wondering if we could enjoy the benefits of them here in the North. We were always looking forward to that possibility. It's great to hear that you're thinking about it. Proof will be in the pudding. We need to work hard now to get ourselves organized, and once we do that and get our boards formed and our business plans prepared and all those sorts of things that need to be done in order to file an application with First Nations and Métis Relations, the ministry, then obviously it's your turn then to respond with an appropriate budget. And we believe that we have.

There are extra dollars allocated for northern regions, and our officials, Mr. Howorko in particular, will be able to talk about that in further detail and then perhaps we can provide some other comment that will be of comfort to the member with respect to his other comments. But I'd like to turn it over to Mr. Howorko to talk about the specifics of the extra dollars for training and travel, that kind of thing.

Mr. Howorko: — Thank you. And to add some additional information to that question, there has been a substantial increase to economic development planning in the North compared to funding that was provided in past years in the regional development corporation program. There was a total amount of investment of \$168,000 that was invested in the regional development corporation program, of which there's about a sixfold increase for operating money which relates to the 1.1 million for operating of the three enterprise regions.

Before I get into a little bit of the additional \$300,000 that we're also providing to enterprise regions to equal the 1.4 million, the enterprise regions, with the functioning board of directors and soon to be hired staff, their whole purpose will be . . . is not to solve every problem and make investments in every region, but it's definitely to rally the region to develop strategic plans, to come up with priorities, to educate the region, as well as to rally support and leverage other dollars from other funding programs that do exist through the federal government and other private sector resources that would invest in particular initiatives within the North.

The role would be very much a coordinator, a strategic planner but rallying and utilizing the skill sets and resources of many other partners to move initiatives in the region.

As the minister indicated, we do have additional resources for enterprise regions. The 1.1 was for operating and coordinating board of director support and travelling and planning within the region and moving some initiatives forward. But the additional \$300,000 that we also have provided, we are in the process, we'll be working with the three enterprise regions to benchmark economic analysis, to do what is called regional economic data

intelligence, to really, truly understand for each of the three regions which sectors are driving their economy, what are some of the socio-economic indicators or issues that exist within the region, so we can start to benchmark and understand over the next couple of years or three years how is programming or the enterprise region program or other resources and dollars invested into the region, how is that impacting some of the indicators that we're wanting to measure.

We're also going to be working on board governance training for the enterprise regions. Governance is very much, very much an issue and we want to ensure that the board is fully capable of managing, managing itself and managing its budget and seeking new leadership within the region.

Another initiative that we'll be working on with the enterprise regions is some project management training to identify projects and then as well as, how do you move key projects forward within the region? We are also going to be working with the enterprise regions in forming some sort of a council for the three regions to come together on a quarterly basis that will look at covering some of their cost to travel to get together to share on projects that we call are crosscutting, that affect the entire North. They could be labour-related issues or infrastructure or whatever it may be.

So they're not just regionally specific but they'll be issues that we want the North, all three enterprise regions and partners collaboratively working on together, so they're maximizing their dollars and their energy and they're working together to do that.

We'll also be using some of that budget to help out with marketing and getting the word out about enterprise regions, about economic development, about building capacity, creating more and more awareness to get more people involved in leadership at the table and as well as private sector involvement in moving initiatives forward. Those are just some of the planned tools to move additional resources forward to help the capacity of enterprise regions in the North.

Mr. Vermette: — Okay. I guess for clarification that now I'm even . . . It's interesting because you made a comment that . . . So the allocation is 1.1 for the three regions, is that correct? And there's a \$300,000. They may qualify if they can levy another 100,000 each from . . . Did I miss that?

Mr. Howorko: — Yes.

Mr. Vermette: — Okay.

Mr. Howorko: — The 1.1 is, yes, for their operating, which our commitment to the program for their operating dollars. This is an additional \$300,000 that we will use to build capacity to help the enterprise regions get running, build some further knowledge, bring some tools, work in partnership with the enterprise regions. And so that money is not given to them directly, but it's worked through with the Ministry of First Nations and Métis Relations, along with the enterprise regions, to target key areas of tools, of need that they have, issues that they want further addressed, and support to move projects forward.

Mr. Vermette: — Okay then, I want to make it very clear here. So then we're talking about 1.4 million that they would apply for and there's a formula for the three. On top of that they can receive another 100,000 if they can lever from industry or a partnership to assist them there. Is that what you're saying?

Mr. Howorko: — There's the 1.1 million that goes towards their operating. The \$300,000 is tools and training and initiatives budget that we're going to be working with the enterprise regions to help move projects forward such as economic data intelligence, board governance, training, marketing, communications for them to help market their enterprise region, creating awareness. So that's an additional 300,000. So the 1.1 is purely for their operating that is being committed to give to the regions.

Mr. Vermette: — So I just want to be clear. So the 1.1 is for the three regions to apply for their yearly operating, we'll say, budget that they're going to get. Correct? Then there's 300,000 that you could use or they can apply or if you've seen an area where you need to improve on, or there's an area where there's interest and there's a reason why we should spend and allocate some money, the department could allocate up to 300,000. That is what you're saying?

Mr. Howorko: — I'll just . . . back to the funding formula that I had indicated. For each enterprise region, so the 1.1 is based on the funding formula of an annual base funding of 100,000 of population or geographic funding formula, a square kilometre formula, and a matching of 100,000. So if each region generated 100,000, we would match that 100,000. And that 100,000 is out of that 1.1 million.

Mr. Vermette: — Well then, I guess then to be clear, there is the formula. And out of that formula is the 1.1. Is that . . .

A Member: — That's right.

Mr. Vermette: — Okay. Then if they can lever or partnership and get 100,000, there's this other part from the government that would kick in 100,000 as well?

Mr. Howorko: — That was part of that funding. Our contribution . . . So for an example, the Athabasca region, I'll just work that scenario out. They have an annual base funding of 100,000. Total population funding formula works out to about 11,378. An area per square kilometre works out to an additional 103,246, and an additional matching contribution of 100,000. So our commitment, as if they raised their \$100,000 in their region, we will provide \$314,000 of which then, with their 100, they'll have a budget of 414.

Mr. Vermette: — Okay, that's better. So could you tell me for the Athabasca, if they don't generate any money on their own, what will their budget be then?

Mr. Howorko: — It will be, if they did not raise any money on their own through corporate involvement or community involvement, it would be, they would have a budget of \$214,000.

Mr. Vermette: — The east side?

Mr. Howorko: — East side would have a budget of 304,149.

Mr. Vermette: — The west side?

Mr. Howorko: — 263,825.

Mr. Vermette: — Okay. And I mean it's good to know that if they . . . to look at the different budgets. So having said that, so there is no pot of money other than the 300,000 you're saying you could use should they need a top-up? Or something going on where the cost is totally out, for some reason is out, you could come up, there is 300,000 to cover off should that be needed? Or is that for training?

Mr. Howorko: — The additional \$300,000 for enterprise regions is for capacity building. It's for the development of tools that the enterprise regions can use, such as economic data intelligence, project management training, board governance training. It could be working towards tools such as developing regional brands for each of the regions. So that's an additional 300,000 that will be spent to give them additional capacity as far as intelligence capacity to be better at, to be better at and . . . better ability of economic development. That is not to cover shortfalls for their operating. It's to be used in conjunction for tools in training and initiatives that will support their economic capacity.

[21:00]

Mr. Vermette: — Okay. Thank you. And I guess I go on to, Mr. Chair, I'll go on to my next question.

I want to go into from the commercial fishing area, and we'll move into that area, whether it's trapping, fishing. How does the minister see this assisting that industry, and is it going to provide the expertise? I've heard those comments. I'm not sure what the enterprise regions are going to do to the commercial fishing and the trappers. I mean I've heard some of the comments in the press. But how do you see that working with the small dollars that they're going to have to operate, that how they're going to help the industry that's in needing help and needs help today, now?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Now that we have the right group of officials at the table we can begin our discussion. There's a couple of different ways to approach the member's question, and I think we'll probably try to do both really.

The first is to suggest that when we think about the fishing industry, we're talking about something that for which the enterprise regions we know will be helpful in specific ways. And I think Mr. Howorko will be able to discuss those details. But it's really a special circumstance. It's a special industry with special circumstances, and we've got a customized solution for them.

Broadly speaking we know that for a large number of years people involved in the northern commercial fishery have been very disappointed, increasingly so, with the results of the fishing co-operative that binds them into an agreement that has fish sent from destinations in lakes in northern Ontario, Manitoba, Saskatchewan, and Manitoba to a processing plant in

Winnipeg. Now all of those folks are all bound by a decades-old agreement which may have served the purpose well in the remote past but which progressively over the years, most recently in particular, has failed more and more to meet their expectations.

The price per pound is very disappointing. Sometimes fish, we are told, is delivered to the door of the plant, and if it isn't processed in time, it has to be thrown out. Then the producers don't get anything because their fish wasn't processed — or so we are told. This too is a great disappointment to Saskatchewan producers.

When you think about it, these are proud, hard-working, independent people who know full well that the fish that they provide to market for processing is the best fish the world has to offer. Simply nothing finer can be found anywhere on this continent or anywhere around the globe. They're aware of that and so the results have been very disappointing.

Another thing which they find quite disappointing is the failure of the co-operative to aggressively market the product into new areas. We were told for example that a marketing study that we helped to fund showed beyond a shadow of a doubt that there are markets for example in what they call the upper Midwest states — and I think we're talking about places like Minnesota — where they haven't even seen our fish before. If you go to a high-end restaurant where a wild salmon dinner might command \$40 a plate, just to pick a number, if you offer the fish to these folks, they would, say well this is the equal in every respect of our product. Where the heck have you people been? If you can provide the product to our market, we would buy it. But we just don't know where you are or who you are and, you know, we can't buy what we don't have in front of us.

So a huge missed opportunity and that's just one of a number. So from a number of perspectives, the co-operative arrangement, this multi-province arrangement has been increasingly dissatisfactory to our northern producers over the years.

Well we've moved in very specific ways to address that. Before we get there however — it's an interesting discussion on its own; it's a companion piece to this — I'll turn the microphone over to Mr. Howorko who can provide more specific details about the actual support that the enterprise regions can give to the fishing industry in particular.

Mr. Howorko: — Thank you. And to further bring some further information forward on that, enterprise regions will be established. They have a number of core functions that they'll be working on. They will be . . . One of their key functions is to develop and coordinate strategic economic plans supported by business plans for various sectors or industries within the region of which, depending on the region and the priority sector, it may be wild rice harvesting, it may be trapping, it may be fishing, it may be mining, it may be tourism. So trapping being one of the sectors that enterprise region may deem and see as a priority as one of the areas that it will most likely be supported by.

The enterprise region with the priorities of each region will coordinate a business and industry sector development support

to move on particular issues of which may be particular . . . may be a trapping issue or a situation or a particular project that's required. An enterprise region will be there and be available to answer needs, be aware of questions, be aware of issues, and look forward to helping address some opportunities of their key sectors and traditional industries as well.

Enterprise regions will also focus on coordinating social and economic initiatives and projects related to economic development and as well as promote public participation and community education related to regional economic development. So it's going to be up to each enterprise region as far as which industries are needing support, what issues and opportunities are there. And we will look at encouraging many of the industries to be in touch with their enterprise region board and staff once operating to get support.

Mr. Vermette: — I guess I'm going to do some, Mr. Chair, some closing comments, and I'll do my last question, turn it over to my colleagues. The expectation is very high from the comments that the minister has put out there, very clear, the excitement in the industry for, I guess, commercial fishing, trapping. The enterprise regions are the way that that organization go. When they need the help the most and commitment from government, whether it's the fish plant, a commitment of that, whether it's marketing, they're going to need support. The minister puts it very clear that enterprise region is the one that, for the North, is going to help them and assist them to get where they're going to go.

I'm curious to see at the end of the day what the budget that they're given, how that's going to be achieved. But I guess it's not up to me to evaluate that as it will be the people that are going to be using the service of enterprise regions in the North how good it is and to the boards that are . . . how effective the funding is and is it enough.

You will hear that as soon as they're up and running, which we know they're not up and running. So we hope they get up and running because, to be honest with you, if they're not soon, I don't know what the big overall picture will be for the North if we're putting so much emphasize on these regions if they're not even up and running. So that's my concern. I make that comment, you know, with that.

What, I guess, the last thing I would like to, comment I would like make. What is the minister and the department, what is your commitment to the northern trappers and commercial fishermen as far as your department's role and support and commitment to the industry, commercial fishing and trapping?

Hon. Mr. Hutchinson: — We'd like to thank the member for his question, Mr. Chair. There's a lot of facts and figures here that we can add to the mix that I think will increase the member's understanding and hopefully give him a sense of comfort about what's to come.

The first thing that we need to clarify is that two of the three proposed enterprise regions are in fact already up and running. The third one we expect to be up and running within a couple of weeks. So those folks are actually meeting their proposed schedules, the deadlines that they have willingly adopted, and we are meeting ours. All of the money is actually earmarked in

the budget and then will be flowing. There's simply no question about that.

So no one should have any worries about whether or not enterprise regions will be up and whether or not they will be running and whether or not they will be funding. We don't have any concerns in that regard because two of them are already across the finish line, and one is just a step or two behind. We expect them to arrive across the finish line within a couple of weeks as we mentioned.

And we should mention a little bit more detail about what's going on with respect to supporting the Saskatchewan Co-operative Fisheries Ltd., our respected northern fishers. So since April 1 of 2008, the three ministries of First Nations and Métis Relations, and Environment, and Enterprise Saskatchewan have actually provided \$245,000 in direct grants to SCFL [Saskatchewan Co-operative Fisheries Ltd.], if I can use the acronym.

And here's the breakdown. Now Environment has provided \$150,000 in general operating support since that time, April 1, 2008.

Enterprise Saskatchewan has provided \$45,000 in grant money to SCFL to assist in getting the business plan updated. Now if you're going to open up a fish plant, if that's your ultimate goal, if you're going to take over the marketing and the processing of your fish on your own, then of course you're going to have to have a business plan. You may not be able to achieve all of the elements of the business plan immediately, but you would like to have all of the elements included in a business plan to plot your strategy on a go-forward sort of a basis.

FNMR, First Nations and Métis Relations, northern affairs division, has also provided \$50,000 in grant support to SCFL, and this includes \$25,000 in general operating support and also legal fees related to the revision of the offering memorandum. I'll explain that a little bit further. In addition to these funds, the northern affairs division of FNMR has also committed, subject to the approval of the budget — which we'll find out a little bit more about in the next few days, I'm sure — \$150,000 in additional support for their operations and the advancement of the business plan. Now we have mentioned this business plan, and we've also talked about an offering memorandum. There are several things that they're trying to accomplish with our assistance.

Financial assistance has and is being provided to complete an updated business plan. If we have a viable industry, a business plan will be able to make that conclusion and quote chapter and verse as to why that would in fact be the case. The business plan has been funded and is well under way. Funding to develop an offering memorandum for the Saskatchewan Securities Commission is a next necessary step.

If you're going to attract investment from willing investors, first of all you're going to have to have a business plan that they can all understand and subscribe to. It's the price of admission. It's the ticket that gets you in the door. It's the thing that will attract the interest of these potential investors. And we also have to make sure that the proper approvals are sought and gained from the Saskatchewan Securities Commission in order to make that

offering to investors.

All of those things have been done. So a lot of good work has been done. Call them soft costs, activities that are pre-operating, if you will, but each and every one of these steps is absolutely essential in proving the viability of a northern-based industry, repatriating it, if you will, from the Winnipeg plant so that Saskatchewan producers can control their own industry for the first time in some 40 years, if I remember correctly. And on an ongoing basis then, attracting investment money from investors who would happily share some of their dollars in order to help you achieve your ends and also to . . .

There are two other sources of funding. One of them is regular bank financing and of course a business plan and the offer of memorandum is very key to their . . . [inaudible] . . . coming on board. The third thing is negotiations with the leasing company are under way in order to provide the actual equipment that would go in a plant when that might be built at some point in the future.

So all of these are important steps, essential steps along the way, and each and every one of them is being looked after with great care and attention as we speak.

Mr. Howorko: — Just to add some further points on support of our traditional industries in the North. We do have, the ministry administers a Northern Development Fund which does provide, has two major components — a primary production loan program that we have an allocation to provide up to \$400,000 per year as loans on an interest-bearing basis to entrepreneurs that may want to set up, do further development in their trapping, wild rice production, commercial fishing, etc.

[21:15]

We also have a grant program. We will look at investing approximately \$205,000 into youth entrepreneurship training for young entrepreneurs as well to help build business skills for youth under the age of 30. We also have funds available for marketing and promotion for business enterprises that may need some assistance in doing some research and development, marketing for diversification in business expansion, as well as business skill and organizational development component to provide assistance again for training of which wild rice processors, trappers, fishermen — all entrepreneurs of the North — can take access to the grant program. So we have two key initiatives to support those traditional industries.

Hon. Mr. Hutchinson: — There's perhaps one other explanatory note that I can offer that might help understand what's going on. I was just in Toronto a couple of weeks ago for the Aboriginal Affairs Working Group conference which was set up by First Nations and Métis national leadership in conjunction with the first ministers at the Council of Confederation or COF conference here in Regina last year, 2009.

One of the issues that this particular group is tasked with looking into with vigour is economic development for our First Nations and Métis citizens. You know, I was reading *The Globe and Mail* when I had an idle moment in the evening, and this is from the *Report on Business* and it's dated Wednesday, April

28th. It's a very interesting article about microloans, as they are called, and the title says, "Microcredit programs yield outsized benefits," and they go on to tell a couple of stories.

There is one guy from Crete. He arrived with no more than \$200 in his pocket and two drums of olive oil produced from family's groves. He says he comes from a place where they have the oldest olive tree in the world, etc., and he wants to try to set up a business. He couldn't get any traditional financing from any of the banks but he was able to find non-traditional loan sources who gave him the opportunity to borrow \$5,000 — a microloan, actually — and start up his business. Long story short, he's thriving. He has employees. He has a successful business.

This is exactly what we're trying to do with this fund in the North. People who are involved in fishing and trapping and other traditional industries can take advantage of this. We are actually building the economy one small business at a time through this program in exactly the same way as microloans are doing, not just elsewhere in Canada, but all the way around the world, Mr. Speaker. It's a great program. It's a great concept.

The Chair: — Thank you, Mr. Minister. Mr. McCall, you've got some more questions?

Mr. McCall: — I certainly do, Mr. Chair, thank you. Just on the topic of the northern part of the activities of the ministry, something that's very interesting, I found, reading was the annual plan for the ministry for 2010-2011. And it's got a number of differences that we'll get into from years previous in terms of annual plans.

But one of, in terms of all the discussion we've had here of the great plans for the North and the excitement and the delight and on, under the measure, "Develop a comprehensive Northern Action Plan to address social and economic issues and opportunities in the North," under the baseline trend information or the, you know, the measurable aspects that we'll use to adjudicate the success or progress on the file, what it states is, "Baseline information to be determined."

So again these things aren't built, you know. Rome wasn't built in a day. But this is the annual plan, and the annual plan's metric has that the baseline information is to be determined on the comprehensive northern action plan to address social and economic issues and opportunities in the North.

Now we're interested to hear the minister's thoughts on the successes of micro lending and the olive industry in Crete, but perhaps the minister could tell us when the baseline information will in fact be determined and when there will be an amendment made of the annual plan of the ministry which is, I'm sure the minister would admit, at this stage incomplete.

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. We appreciate the opportunity to talk about some of our new northern initiatives.

Mr. Toby Greschner, who is the ADM [assistant deputy minister] for Northern Affairs division of FNMR, will begin the discussion on this particular topic.

Mr. McCall: — With respect, Mr. Chair.

The Chair: — Yes, Mr. McCall.

Mr. McCall: — There's a limited amount of time available to this committee and certainly in terms of the time that the minister is taking going back and forth with officials. I know the minister wants to get the answers right to the questions. We appreciate that, but the question that I'd asked was, when will those metrics be available in terms of the northern action plan? So if the minister could answer that question, that would be great and perhaps we could have a further discussion at another time as to the further details, but we've already had a fair consideration of a number of points attached to the northern action plan.

So the question that was asked is, in terms of the incomplete annual plan of the ministry, when will those metrics be provided in terms of what constitutes progress for the northern action plan?

Mr. LaRocque: — Mark LaRocque, with First Nations and Métis Relations. I believe in the next two months. This whole process really involves the engagement of northern leaders to set priorities and to guide us. We have engaged the services of Doug Elliott from *Sask Trends Monitor* to pull together some detailed statistics on northern social issues. He's in the process of doing that right now. And we are also in the process of meeting with northern leaders and other stakeholders to set those priorities as opposed to government setting those priorities. So in the next two months or so, we are going to be coming up with some of those benchmarks, those statements that the member is mentioning.

Mr. McCall: — Just a follow-up, Mr. Chair. That information will be released at that time? As it constitutes a fairly significant component of the annual plan of the ministry.

Mr. LaRocque: — As soon as we get this information, and as soon as we work through it with the northern leaders and the stakeholders, yes. We are going to be inputting that into our annual plan.

Mr. McCall: — I thank the official for the answer. Just while we're on the topic of annual plans, one thing that stands out as sort of curious. In the 2009-10 annual plan, there was a metric associated with the — on page 7 of that annual plan — there's a metric associated with the Aboriginal and non-Aboriginal employment rate. Now certainly Aboriginal employment is obviously a concern for the whole province and obviously a concern for First Nations and Métis Relations. That metric was included in the year previous report. It is absent from this year's report. Why is it gone from this year's report?

Mr. Froh: — Thank you for the question. In the previous performance plan, there was those metrics. And if you're familiar with that metric, it's based on census data which is only updated every five years. We've questioned the validity of repeating and posting information that doesn't change year after year, in terms of what are we measuring. It is important information for sure.

So I think what we're trying to do in terms of looking at some

new metrics that we can actually look at forecasts and trends that are more applicable on a year-to-year basis. So it does not diminish the importance of that information. But at the same time, if that information stays constant the same over five performance plans, we're questioning the validity of using it as the measure.

Mr. McCall: — Well perhaps, certainly, I'm sure that members opposite are familiar with the Statistics Canada labour market information that comes out on a monthly basis, and which over the past number of months has demonstrated some fairly alarming things about Aboriginal employment losses and lack of progress in the economy in Saskatchewan. So certainly if the ministry is looking for a more precise metric, gauging Aboriginal employment on a year-to-year basis, it surely wouldn't be too hard to take an average or, you know, pick a certain month within the monthly labour force information that's provided by Statistics Canada. But that it's gone from the annual reports altogether, perhaps I'm just a paranoid opposition member, but I find that curious, Mr. Minister.

If we could at this time, move on to a discussion of duty to consult and accommodate. I don't know if you've got any officials that you want to bring forward for that. Maybe we'll bid Toby adieu. Your officials settled in there, Mr. Minister?

Hon. Mr. Hutchinson: — I believe they are.

Mr. McCall: — Thank you very much. The last news release, by my reckoning, on the First Nations Métis Relations website is dated January 8th, 2010. In the first sentence it states that:

The province will release the new Consultation Policy Framework after the Federation of Saskatchewan Indian Nations (FSIN) and the Métis Nation — Saskatchewan release their consultation position papers in March of 2010.

[21:30]

In the annual report it states that the "Release of the CPF was moved from the fall of 2009 until April, 2010, pending policy discussions with the FSIN and MNS in March, 2010."

It is currently the month of May. Will the Assembly be seeing the release of the consultation policy framework for the duty to consult and accommodate process before the House rises?

Hon. Mr. Hutchinson: — If we're ready to proceed with the answer, Mr. Chair. I thank the member for his question. We had originally hoped and had made that expectation clear that we wanted to try to complete the consultation process and have our final document ready by the end of the previous calendar year. Nevertheless, we always have to be flexible, nimble, and adaptive to the circumstances of the day. We were requested by both of our most significant stakeholders at the table, Federation of Saskatchewan Indian Nations and Métis Nation of Saskatchewan, to wait just a little bit longer because they were trying to dot i's and cross t's, if you will, trying to get the last bits of their work done in a timely fashion.

And so we thought that perhaps by the end of March that would be done and maybe by early April, sometime in April at least, that we would be able to complete our work and publish our

document. We did get all of the work from the Métis Nation of Saskatchewan. It was a little bit more challenging, we understand, for FSIN and while we have received some of the material, we're haven't, we're not in receipt of all of it. That places us in the situation where we have two choices, one of which is perhaps to wait even longer or simply move ahead.

What we would like to do is to move ahead. We've waited a long time to get all of the opinions from all of our stakeholders together. Everybody is looking for a consultation policy. We owe them our best effort in trying to complete the process in as timely a fashion as we possibly can, and we hope to move ahead in the coming weeks.

Do we have a particular date in mind? No, we don't, but we want to move ahead as quickly as we possibly can.

Mr. McCall: — Can the minister characterize for the committee what work remains outstanding with the Federation of Saskatchewan Indian Nations that's, by the minister's account, is hindering the progress on this file?

Mr. Crowe: — I'm going to answer that question. We're not absolutely certain what deliberations are taking place at FSIN because the discussions that were taking place around consultation were happening in-camera, and we have . . . We were respectful in that sense that we removed ourselves and weren't part of those discussions. We understand that there has been some deliberations and some ratification on certain policies, but we haven't yet to receive that formally or officially from the FSIN. We would have hoped by now that we would have received, but we haven't received it at this particular time.

We do need that . . . We do recognize that we have extended ourselves to a point where, as our minister has stated, either we wait longer or move to finalize the policy. And so we'll be awaiting that decision, and we're not absolutely certain what formal presentation FSIN is able to present to us.

Mr. McCall: — So is it fair to characterize the situation with the ministry as a bit caught between two desires? One is to get to the full information in from the FSIN, of course. The other is to get this long-awaited document out for the light of day. Is that a fair characterization?

Mr. Crowe: — The only addition I would say to that is that we wanted to be respectful to the FSIN in the sense of receiving their package of information and giving us an opportunity to consider that prior to moving to the final stages of completion of our policy.

Mr. McCall: — Well it's fair to say this won't go until say, December 22nd in the year to come. Is that a fair assumption to make?

Mr. Crowe: — I would say that we would like to have it . . . have approval for our policy sooner than December.

Mr. McCall: — I reference December 22nd of course because that's when the interim guidelines were released by the province previously. It was a less-than-helpful time for fair comment by stakeholders and by members of the Assembly. And again if this is something that has been promised by last

year's end for April this year, we're coming up fairly quickly to the end of the Legislative Assembly. This is a fairly important policy initiative for the province as a whole, and of course the Assembly affords the people a measure of scrutiny and accountability for the measures of the government.

So certainly this is about partnership, and it is about working respectfully. But the relaunch of the duty to consult process by the new government, the big round table was two years ago, May 2008. And I don't fully understand how it is that a new government that promised leadership on the duty to consult file, and that posits the round table that was held two years ago as proof positive of that leadership, yet here we stand in terms of waiting for the final policy. And in the interim, we've had a number of measures come forward where the question of duty to consult has been raised in spades.

And I guess the first instance of that I'd like to ask the opinion of the minister or officials concerns the New West Partnership Agreement. Before this document was tabled or was brought to the light of day, there were a couple of exchanges on it in the Legislative Assembly. The one I'd like to cite in particular took place between the Leader of the Opposition and the Premier on April 28th, 2010. And as recorded in *Hansard* from the Hon. Mr. Wall, just to get the . . . This is page 5176 of *Hansard*. To quote Mr. Wall:

And in the meantime, from September 2009, Mr. Speaker, is when consultations have happened since we signed the MOU, including with our commercial Crowns, the big city mayors. In October, city managers, Saskatchewan urban municipalities, SARM, the Association of Health Organizations, our two universities. Then in November, health regions, Sask Association of School Business Officials, SIAST, Mr. Speaker, there has been a lot of consultation.

Was the FSIN or the Métis Nation of Saskatchewan consulted with regards, in those rounds of consultation concerning the New West Partnership Agreement?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. And we can offer the following answer in response. It's a question that ought to be directed to Enterprise Saskatchewan. The New West Partnership Agreement specifically recognizes that First Nations and Métis issues are exempt and not included in the provisions of the agreement.

Mr. McCall: — At the start, we established that the mission statement of First Nations and Métis Relations has it as the lead department, lead ministry on First Nations and Métis issues. And where there are issues that arise that affect the livelihoods and the interests of First Nations and Métis people, that First Nations and Métis Relations has a duty to discharge.

So am I to understand the minister correctly — which, you know, very clearly puts some onus on the minister, the ministry to ensure that they were consulted around the New West Partnership Agreement, even if to say you've been exempted and to see how that is met by the interested stakeholders — but am I to understand the minister correctly that First Nations and Métis people in Saskatchewan were not consulted in what the Premier characterizes as a lot of consultation this past fall?

Mr. Crowe: — I just wanted to go back to the intent of the New West Partnership Agreement as I understand it. And of course we're not the lead ministry on that partnership agreement. First Nation and Métis or Aboriginal initiatives are not part of the New West Partnership Agreement, therefore there is no necessary obligation to consult on some of the issues that are being contemplated in the agreement as they don't necessarily impact on First Nation or Métis initiatives or activities.

Having said that, if there are initiatives that First Nation or Métis stakeholders, leadership want to pursue, I think we would be open to hearing what those opportunities are. And we certainly would discharge our duty as a ministry to advance those within government and work with the First Nation or Métis communities that want to perhaps pursue some opportunities under the agreement.

The main gist of my point is that because the initiatives are exempt, there will be no impacts on First Nations or Métis initiatives or impacts on the relationship between government and First Nations and Métis communities. There wouldn't be necessarily an obligation to consult on those initiatives. But just to repeat, we would be open to hearing any representations where there might be an opportunity that First Nations or Métis communities might want to advance.

Mr. McCall: — So again, Mr. Chair, through the Chair to the minister: the Federation of Saskatchewan Indian Nations, Métis Nation of Saskatchewan, they were not consulted with in the fall when the Premier's saying there was "a lot of consultation." Were they consulted with or not?

Mr. Crowe: — To my understanding — and again we're not the lead ministry on this initiative — but again there wouldn't be necessarily a duty to, or an obligation to consult, considering that the agreement itself holds the First Nation-Métis initiatives exempt from the agreement. So there would be no necessarily impact.

[21:45]

I'd further add that I think there is some opportunity for First Nation or Métis organization groups, communities to band together, and I think there are some that exist between Saskatchewan and Alberta that might be able to find some advancement or opportunity through the agreement.

I can't speak with a lot of knowledge on that because we aren't the lead ministry, but if there was something that would impact on the First Nation-Métis community then we would have to look at our obligations to advance that as part of our responsibility and work with the other ministries as well, the lead ministry that's responsible for this partnership agreement.

Mr. McCall: — And when the Premier was talking with a lot of different stakeholders, First Nations and Métis were not — to clarify what the official is saying — First Nations and Métis were not discussed . . . this was not discussed with them. They were not consulted with in advance in the round of consultations that took place in the fall. Is that the case? Yes or no.

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. I believe that we've answered to the fullest of our ability and we certainly respectfully suggest that any further questions be directed to the lead ministry which is Enterprise Saskatchewan.

Mr. McCall: — I'm addressing my questions to the lead ministry for duty to consult and accommodate. And I guess, you know, I'm taking from the minister's words and from the official's words that, no, First Nations were not in fact consulted with concerning the New West Partnership Agreement, not even to say there's an exemption clause that, you know — and I'm not a trade lawyer — but has to be invoked in terms of exempting out different things. But they weren't even consulted with to say, you know, there's nothing to worry about here. In fact there may be opportunity.

That courtesy was not extended. And as such I'd like to read into the record a letter from the lead FSIN vice-chief for the Federation of Saskatchewan Indian Nations, and to get on the record Vice-chief Whitefish's opinion concerning the actions of this government as it relates to duty to consult in the New West Partnership Agreement. May 3, 2010. "Dear Premier Wall: I am extremely concerned . . ." And this has been copied to the deputy minister of course, so the minister had this as they were answering the previous questions.

Dear Premier Wall:

I am extremely concerned to hear that the Province has signed the New West Partnership Agreement, which is essentially a re-visitation of the Trade, Investment and Labour Mobility Agreement . . . an agreement that the Saskatchewan Party vowed it would not support without proper consultation with the public.

The province should have engaged in a full and transparent public consultation process on this issue, and such failure to consult is only one of a number of times your government has neglected to discharge its duty to consult obligations. Proceeding to sign such an agreement without conducting public hearings illustrates a lack of good will on your government's part.

The New West Partnership Agreement has the potential to incidentally impact upon the Treaty rights of First Nations to exercise their rights to the resources within this province. As such, I strongly oppose the New West Partnership Agreement with Alberta and British Columbia, until such time as your government conducts public hearings and consultations, and puts such agreement before the public.

Sincerely,

...

Lyle Whitefish
Office of the Fourth Vice Chief.

Of course to close the quote, this letter is copied to a number of parties. Vice-chief Whitefish is the lead vice-chief for duty to consult and accommodate. Is that correct?

Hon. Mr. Hutchinson: — Again the answer to the member's question is yes. Amongst other responsibilities that is one.

Mr. McCall: — Thank you to the minister. Does this not again . . . I put this against the backdrop of what the official and the minister had to say concerning the need or the lack of need to consult with First Nations and Métis people concerning the New West Partnership Agreement. Doesn't this concern you that you've got a partner in a process like the duty to consult, that when it comes to something like the New West Partnership Agreement, expresses his concern about it in fairly strong terms? Does that not leave you cause for concern?

Hon. Mr. Hutchinson: — Well certainly, Mr. Chair, we're always concerned when we find out that people aren't fully understanding of initiatives that the government is proposing, but each one of these problems presents a unique opportunity. We will be delighted to sit down with the vice-chief and other leadership from FSIN, as required, in order to explain the fact that the New West Partnership specifically exempts the interests of First Nations and Métis citizens of these particular provinces. We will be delighted to take an opportunity to explain that to the vice-chief.

Mr. McCall: — The thing I don't understand, Mr. Chair, to the minister, is that again to refer to the Premier's comments of April 28th when city managers, SUMA [Saskatchewan Urban Municipalities Association], SARM [Saskatchewan Association of Rural Municipalities], SAHO [Saskatchewan Association of Health Organizations], the two universities, the health regions, the Saskatchewan Association of School Business Officials, SIAST [Saskatchewan Institute of Applied Science and Technology] — what the Premier characterizes as "a lot of consultation" — you'd think that at least common courtesy would have had the First Nations Métis Relations consulting with the FSIN and the MNS [Métis Nation of Saskatchewan] on this. Why were they not consulted with?

Hon. Mr. Hutchinson: — Mr. Chair, we could only repeat what we've said several times before. Hopefully it'll be a little clearer in this particular rendition. The New West Partnership specifically exempts the interests of First Nations and Métis citizens of the provinces. It is as simple as that. Others are affected and they were consulted. As the Premier himself has said, this is a lot of consultation.

Mr. McCall: — And again, Mr. Chair, to the minister, what I find quite striking is that there was a lot of consultation that took place behind closed doors on a deal that should have been out in the light of day, but that's more properly the realm of the Enterprise minister. But this is the ministry responsible for the duty to consult and accommodate for insuring that First Nations and Métis issues are addressed, and that there was a lot of consultation and the ministry couldn't be bothered to consult with First Nations and Métis on this, even to explain to them fully how their rights are affected.

And I guess I'd be . . . and I'm not a trade lawyer but certainly the government has trade officials. Could the minister table with the committee the opinion that assures that Aboriginal issues are truly protected under this trade agreement? Because certainly there are different clauses in trade agreements and there are things that depend upon being invoked by the

government at hand and the watchfulness of the government that's defending the interest. So does the ministry have a legal opinion that they're able to table with this committee that says there is in fact nothing to worry about here for First Nations and Métis people as relates to the New West Partnership Agreement?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Once again we refer the member and his colleagues to the lead ministry on this particular initiative and that is Enterprise Saskatchewan.

Mr. McCall: — Well I guess we've been trying with the lead ministry on duty to consult and accommodate, and this is the answer we get. But we'll certainly avail ourselves of that opportunity.

I guess the next question I would have is, the \$3 million that has been earmarked for the year to come for duty to consult, how much of that was forwarded from unspent monies of the previous budget year?

Hon. Mr. Hutchinson: — Our officials didn't catch all of the member's question. If he could repeat it, we'd certainly be appreciative.

Mr. McCall: — To the minister through the Chair: there are \$3 million in this year's budget allocated for the duty to consult and accommodate process. The first question is, how much of that was forwarded from the previous year's budget of unspent allocation?

Mr. Gray: — To answer the question, really none of the dollars are carried forward from the previous fiscal year. The \$3 million is all new money that will be allocated in the current fiscal year.

Mr. McCall: — In the fall supplementary estimates we had discussed — and I don't have it right precisely in front of me but we've got more time tomorrow and I can cite it for you then — there were monies that were unexpended at that point and they were forwarded to the year's budget for the duty to consult and accommodate file, if you will.

So again, how much went unspent last year and arguably how much of that has gone forward to the \$3 million this year?

Ms. MacPherson: — To answer your question with respect to the Consultation Participation Fund last year and last fiscal year, 2,377 million was unspent — was not spent. In other words 372,000 approximately was spent.

Mr. McCall: — Of the \$3 million that was earmarked at this time last year, and was discussed as a great accomplishment by the minister last year as monies for the duty to consult and accommodate process, could the official please recap for us what was spent and what was not spent in the year previous?

Ms. MacPherson: — \$372,400 was spent. And the difference between 3 million and that is 2,377,600 unspent.

Mr. McCall: — If you have a fund that the vast majority of it goes unallocated, is the problem with the fund? Is the problem

with the fund criteria, or is it just that First Nations and Métis people aren't interested in funds to properly carry out their side of the duty to consult and accommodate process?

Mr. Crowe: — Thanks for the question. Just wanted to provide this overview. There certainly is a lot of interest from First Nation and Métis community on the Consultation Participation Fund. Usually the uptake of the fund itself is dependent on the kind of investments and activities that are taking place in, whether it be industry development, business development, that might have an impact on First Nation-Métis rights within their traditional territories.

We also are working with an older criteria that is somewhat stringent in how we put forward. So it's very much tied to the onus being on the individual proponent, tying it to the fact that there might be some impact, how to mitigate that impact. And because there wasn't a lot of necessarily development, both industry and business last year, because of the other economic drivers and indicators, there was not the kind of take-up that we had anticipated.

[22:00]

I think, although I wouldn't want to guarantee this, I would think that there might be more uptake as we move forward. As the economy is starting to rebound, more investment and industry development will be, we assume, will be taking place. But we can't absolutely guarantee that. That is the overview that we would offer on the lack of uptake on the Consultation Participation Fund.

Mr. McCall: — There's an update . . . [inaudible] . . . in the annual plan for 2010-2011 for the criteria for the participation fund as referenced by the deputy minister. When will those updated criteria be finalized and made available?

Mr. Crowe: — That work is under way as we speak. We are working as much as possible in absence of a finalized consultation policy to help with the development of that criteria and the base and basis for that criteria. But we are attempting to work with some of the . . . trying to work through some of the initiatives that we're going to be having to take on, such as traditional youth studies.

We're trying to fine-tune the criteria that would help assist both government and communities to understand what the study, traditional youth studies would be, and how that they would help inform whatever developments. So that's a work in progress, and we hope to complete that as soon as possible. Although I can't guarantee an actual timeline, I think a lot of it is really dependent on having the basis to work from, and that would be our consultation policy.

Mr. McCall: — So in terms of when the consultation policy is finalized and released, there's an exploratory phase that is contemplated. Is there a division in the \$3 million plan for the year to come, between wrapping up the work on duty to consult and accommodate and the exploratory phase as such? How will the \$3 million be allocated? Just to get the funding question on the table. And then I'll have a follow-up in terms of the exploratory phase.

Mr. Crowe: — Of the \$3 million, we are earmarking \$375,000 to generally support the work towards those outstanding issues. We're hoping that we can get engaged as soon as we have a policy to work with and setting the basis. There's much work to be done of course. The duty to consult is an evolving piece of law that has somewhat landed on Saskatchewan, and we're continuing to learn about it. And I think we have a lot of experience, and certainly we intend to move forward on these as we move forward on our new policy.

Mr. McCall: — Is there any contemplation on the part of the ministry, as has been the case in other jurisdictions, to just assign a certain amount of funding on an ongoing basis, to designate it as duty to consult and accommodate capacity money, and to move some of the funding into a straight transfer of dollars in the interests of building capacity on an annual basis versus the ongoing grant-by-grant approach that has been taken to date by the government?

Mr. Crowe: — I'm not certain that we could actually predetermine exactly how that whole process will be unveiled or how it will be brought forward. But I will say that we will be looking at what other jurisdictions are doing, the value that it provides in other jurisdictions.

The consultation capacity is one of those items that we need to address in the exploratory process. And we are certainly committed to trying to nail down what is the right mix for capacity around consultation for First Nations, whether that is our current way or else we move to a different way of providing that capacity. It'll depend on the kind of discussions that we have in the exploratory process.

Hon. Mr. Hutchinson: — It's actually handy, Mr. Chair, to recognize that consultation capacity is actually one of the five topics that will be discussed in the exploratory process itself.

Mr. McCall: — Well I should hope so, following on a year where 80 per cent of the \$3 million that was earmarked for consultation went unexpended. I guess the way that this plays out in other areas of course is with regards to things like the environmental protocol that had been in place for 16 years between the provincial government and the Federation of Saskatchewan Indian Nations. In fact it was signed by then chief of the Federation of Saskatchewan Indian Nations, Roland Crowe, with the government of the day.

This year it was the funding that had come to be attached to that protocol was pulled precipitously on budget day by the Environment ministry. The Environment ministry of course says that they don't need those monies because there's a duty to consult fund over in First Nations and Métis Relations. Now we've seen that 80 per cent of the funds the year previous went unaccessed. So I guess is there . . . What was the involvement of the minister and officials in terms of the decision by the Department of the Environment to kill the funding for the environmental protocol with the Federation of Saskatchewan Indian Nations?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. There's one piece of background information that's relative to the first part of the member's comment that might help just a little bit. We suspect that one of the reasons that

some of the allocated dollars were not spent is because some of the companies that are involved with development are actually becoming more active financial partners of First Nations and Métis communities.

So they're taking a more active role than they may have in the past and actually coming forward with funding on their own to support some of the activities that we might have been supporting through the consultation fund. So some of their dollars may in fact be replacing some of our dollars, not 100 per cent sure about the accuracy. It would be difficult to try to confirm the details, but that's the thinking that I have at the moment.

Mr. McCall: — Would the minister care to quantify that observation for the committee or cite, you know, one example for the committee?

Hon. Mr. Hutchinson: — We can certainly get details for the member in answer to that question, Mr. Chair.

Mr. McCall: — And another clarification. Is the minister saying that the industry is taking over the responsibility of the Crown for funding duty to consult and billing capacity on the part of First Nations and Métis stakeholders and as such that's why the province is seeding the field? Is that what the minister's saying to the committee?

Hon. Mr. Hutchinson: — But, Mr. Chair, we're not seeding the field at all as we have said any number of times both in committee meetings and estimates meetings and certainly in the House in question period. We take these responsibilities seriously, and that's why we keep allocating the number of dollars that we do. There's no question about our sincerity and our commitment to achieve these particular goals.

I'm simply suggesting that we have at least anecdotal evidence that would make us believe that some companies are actually attempting — in order to be good partners and to move processes along further and faster than might otherwise be the case, in their opinion — that they would like to come to the table and become more active financial partners. That is their initiative. They're certainly at liberty to pursue those sorts of initiatives if they wish.

Mr. McCall: — Well I think the if-they-wish rider that the minister puts on his comments is a pretty important one. Because what the minister was saying previously is that industry is willing to come forward with financial resources and as such the province is quite happy to stand back and let the industry partners have at it.

Does the minister recognize that there's a responsibility on the part of the province, in terms of the honour of the Crown and the basic responsibility under the duty to consult, to look after that duty to consult, to be the ones that shepherd it and not leave it to industry to see it discharged? What is the minister's understanding of duty to consult, I guess is the question.

Hon. Mr. Hutchinson: — Mr. Chair, I'll answer the member's first question that goes to the heart of the matter, and the answer clearly is yes.

Mr. McCall: — Well I guess this begs another question. As of this date, Mr. Minister, how many legal cases is the province involved in that arise from duty to consult issues?

Hon. Mr. Hutchinson: — Mr. Chair, we thank the member for his question, and we'll undertake to consult with our colleagues in the Department of Justice, the Ministry of Justice in order to find out the details.

Mr. McCall: — So again, as the lead minister for duty to consult and accommodate, the minister is unable to inform the committee at this time as to the number of legal actions being taken against the province arising from duty to consult and accommodate grounds.

Hon. Mr. Hutchinson: — Well, Mr. Speaker, we understand that the number is very small, but we don't have all of the information in order to satisfactorily and accurately address the member's question at our fingertips this evening. But we can certainly undertake to get in touch with colleagues in the Ministry of Justice who will help us answer the question.

Mr. McCall: — Returning to the matter of the environmental protocol as it relates to duty to consult and accommodate, on page 5 of a submission that was made concerning Bills 121, 122, 123, it states . . . And this is submitted on the part of the FSIN Lands and Resources Commission, and it outlines the extensive concerns that they had with regards to Bills 121, 122, 123. And one of the things that they state in the submission on page 5, to quote:

After submission and rejection of the FSIN Proposal, and a subsequent meeting between Minister Heppner, Minister Hutchinson and Vice Chief Whitefish, on January 18, 2010, the Ministry committed to working together to develop a mutually-acceptable consultation process for First Nations. However, that evening, Ministry officials informed the FSIN that not only was the Ministry not going to seek a mutually-acceptable process, but moreover, that the Ministry had no duty to consult on the regulatory review and the Bills at all. Rather, the Ministry provided it would be only consulting with regards to site-specific impacts as they arose, and directly with First Nations.

I guess it raises two questions for myself, Mr. Minister. Who had the wrong understanding in that meeting? Did Vice-chief Whitefish come out of that meeting with one understanding, only to be disabused of that by the officials after, in terms of undertakings made by yourself and Minister Heppner in terms of working with the FSIN to construct a mutually agreeable consultation process on Bills 121, 122, 123? Did he get that wrong? Who got that wrong?

[22:15]

Hon. Mr. Hutchinson: — Thank you, Mr. Chair, for that particular question. Our response to the member is as follows. We're not actually responsible for that legislation. The lead ministry for that is the Ministry of the Environment, and that would be the proper place to address those questions. We're simply unable to offer a satisfactory response. It isn't our area of responsibility.

Mr. McCall: — Well that's very interesting, Mr. Minister, through the Chair. I've sat in on different of the committee hearings with the Minister of the Environment along with my colleague the Environment critic, and as such, what the minister's saying at this point I find . . . It would bear a response from my colleague, the critic for the Environment. So at this point I'd cede the floor to my colleague.

The Chair: — The Chair recognizes Ms. Morin.

Ms. Morin: — Thank you, Mr. Chair. Mr. Chair, after having sat through many, many hours with the current Minister of Environment on this issue and of course many others, and many, many questions on the issue of duty to consult and just consultations in, I mean, in general with respect to a respectful relationship with the First Nation and Métis communities of Saskatchewan, I have to tell you that your last response, Mr. Minister, is disconcerting for one simple reason — because it's similar to the response that we've gotten from the Minister of Environment herself.

She seems to be off-loading the responsibility on you with respect to the Ministry of First Nations and Métis Relations, and yet you now are off-loading on to the Minister of Environment. So perhaps one of the two of you could let us know who exactly can answer these questions that the opposition has on these matters.

Hon. Mr. Hutchinson: — Perhaps the member may wish to pose a question that we could answer, Mr. Chair.

The Chair: — Do you have a question?

Ms. Morin: — Absolutely. So, Mr. Minister, with respect to the issue of the three Bills that my colleague just spoke about, Bills 131, 132, and 133, it was very clear from the letter that the FSIN sent the Minister of Environment on those Bills that there was lack of consultation, if any consultation, done on those Bills.

Now the minister said that with respect to those and other Bills, like for instance, let's just talk about, for instance . . . And this isn't a Bill; this is a budget item actually. This is in respect to the FSIN-Ministry of Environment partnership agreement that existed for 16 years and was then cut under your government's last budget here on March 24th with a phone call to the FSIN stating that the funding of \$300,000, approximately \$300,000, was no longer going to be provided to the FSIN with respect to this partnership.

Now I want to be very clear that the Minister of Environment is very clear that this does not cancel the partnership. It just cancels the funding to the partnership. So the FSIN sees this as a cancellation of the partnership, in effect, because the work can no longer be done for the FSIN to properly represent the 74 First Nations with respect to the information that should be provided to the Ministry of Environment, and also being able to do the research that those 74 First Nations may not be able to do on their own or need assistance with.

So the question to you at this point would be, given that this partnership agreement has been cancelled and given that the Minister of Environment has made it very clear that she sees no

need for this partnership because it doesn't fit under the duty to consult mandate, how is it that the Ministry of First Nations and Métis Relations is going to mitigate the relationship that has now been seriously damaged? Because I know that the . . . Well I'm assuming; I shouldn't say I know. Let me just check on who this is copied to. I'm assuming that you as the Minister for First Nations and Métis Relations have been privy to the letter of March 30th from the FSIN Vice-chief Lyle Whitefish, with respect to the cancellation of that partnership.

So how is your ministry going to mitigate the circumstances with the disrespectful way that the FSIN was dealt with with respect to this partnership that was in existence for 16 years, two of which years were funded by your government?

Mr. Crowe: — I'm going to try to explain that our role in the situation, the funds that were cut to FSIN were not part of the Consultation Participation Fund. They were part of an item from the Ministry of Environment. We weren't charged with the responsibility of implementing and exercising and fulfilling the partnership or the bilateral agreement, and it was essentially decisions that were taken by the Ministry of Environment on that.

And our role is mainly, in terms of consultation and duty to consult, is to provide to communities and organizations where they have mandates to address duty to consult issues when situations impact on the exercise of treaty and Aboriginal rights.

Ms. Morin: — I'll just make one quick comment and pass the questions over to my colleague Mr. McCall again. I understand the response that I've just been given, but given that the Minister of Environment has stated quite clearly that the First Nations can make application to your ministry for funding for whatever projects in this, that, and the other thing, it is very difficult to understand where we can direct some of our questions. Because like I said, it seems like we're being volleyed between two ministers and it's very difficult to get a straight answer. So I'll just leave it at that and let Mr. McCall carry on with the questions.

The Chair: — Thank you. The Chair recognizes Mr. McCall.

Mr. McCall: — Thank you very much, Mr. Chair. There's a lot under the . . . And obviously the Department of the Environment, Ministry of the Environment is sort of ground zero in terms of duty to consult and accommodate concerns. And it's with dismay that we see the funding that was attached with the protocol being torn up. It's with disbelief that we see the Minister of the Environment who can't even acknowledge the express opinion of her counterpart with the Federation of Saskatchewan Indians as to the very status of the protocol.

And in terms of the number of items of legislation that have come forward that I'm sure do impact the considerations around duty to consult, and given that the minister is the guardian of duty to consult and the safeguarding of interests for First Nations and Métis people as it relates to the actions of other ministries, as we discussed at the outset with the mission statement for the department, we find what's going on with the Department of the Environment and with that minister to be hard to believe.

And in terms of the damage that's been done between what should be a critical ministry working in partnership and which, you know, in the case of the protocol had been working in partnership for 16 years — you know, there's a time frame that the members opposite are quite familiar with — 16 years of a protocol that was arbitrarily torn up by that Ministry of the Environment, and given the way that that impacts upon First Nations and Métis Relations and the ministry and the fact that this is the lead ministry for duty to consult, I can accept, you know, Minister Heppner fobbing off duty to consult questions to you. But I cannot accept the minister not answering duty to consult and accommodate questions here because, as we've discussed, you're the lead ministry.

So we see what's going on in the Department of Environment and we've but to shake our heads, but it's part of a pattern that we see emerging in terms of the way that this government approaches the question of duty to consult. And I guess the next . . . You know, we've talked about it as regards to the New West Partnership Agreement. We've talked about it as regards Environment. And now I'd like to get the minister's take on what happened with the budget and specifically with regards to the question of taxation measures aimed at on-reserve tobacco.

Could the minister identify for the committee what involvement his ministry had in terms of ensuring that duty to consult and accommodate considerations arising from this tax measure by the government, can he tell us what he did to make sure that those duties were discharged?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. As the member is aware, there are in fact very strict limitations on the extent of discussion about budget items that one can enter into prior to the tabling of the budget in this Assembly. And within those restrictions, I was able to have a preliminary discussion with FSIN leadership about the cigarette tax issue in particular. And in that discussion, I indicated that after the budget was tabled and became a public document, we would be pleased to continue our work together on this very important issue. And follow-up consultations have already begun. And the opposition, I believe, is aware of this fact.

Mr. McCall: — When the minister references consultations, preliminary as such that took place before the budget, can the minister provide more detail as to the content of those discussions — who with, and what time frame?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. These were discussions. That would be the term that I would apply. And they happened prior to the budget presentation, and we spoke with FSIN leadership.

Mr. McCall: — Prior to the budget presentation meaning the day of the budget?

Hon. Mr. Hutchinson: — Prior to the tabling of the budget.

Mr. McCall: — Meaning the normal stakeholder discussions that take place the morning of the budget being tabled?

Hon. Mr. Hutchinson: — It wasn't part of a stakeholder discussion. In fact FNMR did not have that kind of discussion on that particular occasion, Mr. Chair.

Mr. McCall: — Did it take place in advance of the Premier informing the Saskatchewan Chamber of Commerce at a luncheon that they would be moving on tobacco? Did it take place in advance of that, Mr. Minister?

The Chair: — The clock has been called, Mr. Minister, by the committee.

An Hon. Member: — The adjournment time has expired.

The Chair: — Excuse me, we have . . .

[Interjections]

The Chair: — Order please. We have a motion to adjourn. Is that the will of the committee to adjourn at this point?

Some Hon. Members: — Agreed.

The Chair: — This committee now stands adjourned.

[The committee adjourned at 22:30.]