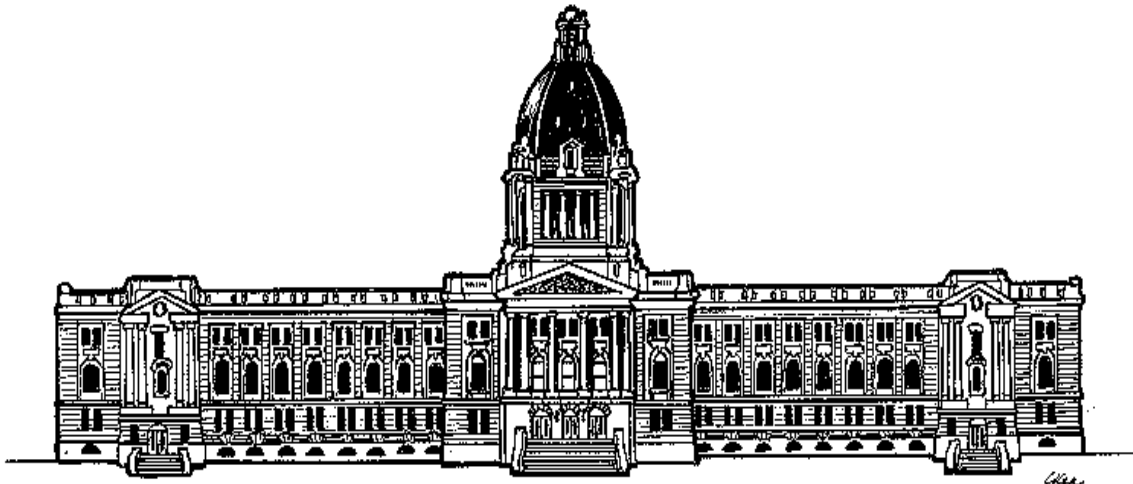




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND JUSTICE**

Mr. Warren Michelson, Chair
Moose Jaw North

Ms. Cathy Sproule, Deputy Chair
Saskatoon Nutana

Mr. Kevin Phillips
Melfort

Mr. Warren Steinley
Regina Walsh Acres

Mr. Lyle Stewart
Thunder Creek

Ms. Christine Tell
Regina Wascana Plains

Mr. Corey Tochor
Saskatoon Eastview

[The committee met at 19:00.]

The Chair: — Well ladies and gentlemen, it being 7 o'clock, we'll welcome you to the Standing Committee on Intergovernmental Affairs and Justice for this meeting this afternoon April the 2nd.

I'd like to welcome the committee members. My name is Warren Michelson; I am the Chair of the committee. The other members are Cathy Sproule as the Deputy Chair, Kevin Phillips, Warren Steinley, Lyle Stewart, Christine Tell, and Corey Tochor.

This afternoon or this evening we have three substitutes. Scott Moe will be sitting in for Lyle Stewart, Roger Parent will be sitting in for Kevin Phillips, and Nancy Heppner will be sitting for Corey Tochor. Again welcome.

And first I would like to advise the committee that pursuant of rule 146(1), the main estimates for the following ministries were deemed referred to the committee on March 29th, 2012. The main estimates are: vote no. 73, Corrections, Public Safety and Policing; vote 25, 163, First Nations and Métis Relations; vote 3, Justice and Attorney General; vote 30, Municipal Affairs; vote 85, the Office of the Provincial Capital Commission; and vote 27, 173, Tourism, Parks, Culture and Sport.

The following supplementary estimates were deemed referred to committee on March 21st, 2012. That would be vote no. 73, Corrections, Public Safety and Policing.

**General Revenue Fund
Municipal Affairs
Vote 30**

Subvote (MA01)

The Chair: — This evening the committee will be considering the estimates of the Ministry of Municipal Affairs. Before we begin, I would like to remind the officials to introduce themselves when they speak for the purpose of getting Hansard recording properly.

When finished with the estimates, the minister . . . Oh, okay. That's as far as I need to go. Thank you.

Welcome, Minister Hickie. And, Minister Hickie, if you would like to introduce your officials at this time, it would be appropriate.

Hon. Mr. Hickie: — Well thank you, Mr. Chair. With me today to my left is Van Isman, my deputy minister. To my right is my assistant deputy minister, Keith Comstock. Just at the end, to my left on this side is Wanda Lamberti, the executive director of central management services. And scattered amongst the back, I've got Wade Armstrong, chairman of Saskatchewan Municipal Board; I've got John Edwards, executive director of policy development; Sheldon Green, executive director of strategy and sector relations; Ralph Leibel, executive director of community planning; Kathy Rintoul, executive director of grants administration and financial management; Kyle Toffan,

director of grants administration; Marj Abel, director of financial planning, central management services; and Jane Markewich, director of financial services, central management services.

So I have a preamble if I can, Mr. Chair.

The Chair: — Thank you, Minister Hickie. Yes, if you wanted to go into your introduction and comments, please do so.

Hon. Mr. Hickie: — Well it's an honour to be here tonight and a privilege of course to be in front of this committee to talk about the spending priorities in the 2012-13 budget for the Ministry of Municipal Affairs. I will start with a few comments and provide details of the ministry budget and then would be happy to answer questions from the committee members.

Over the past four years, the people of this province have created the Saskatchewan advantage. The 2012-13 budget for Municipal Affairs helps to keep the Saskatchewan advantage they created. We all know that the province's greatest strengths are its people and the communities they live in. This budget builds on these strengths by continuing this government's commitment to municipalities and their ratepayers. Our government committed to developing a stable and reliable revenue-sharing formula for municipalities, something municipalities continually asked for at their conventions for years.

This budget again reflects the fulfillment of that commitment to municipalities and the people of Saskatchewan. Revenue sharing is unconditional funding directly to municipalities. Revenue sharing is a record \$237.4 million in the 2012-13 budget. This represents an increase of 9.5 per cent over the last year and an 87 per cent increase since 2007-08. This is an increase of \$20.6 million over the last year and an increase of over 110 million since '07-08. That includes 151.9 million for urban municipalities, 68.9 million for rural municipalities, and 16.6 million for northern municipalities.

Mr. Chair, we feel this increase is very important. And if there are any people watching these proceedings online from their homes, we would like to direct them to the revenue-sharing web app on the Ministry of Municipal Affairs website at www.municipal.gov.sk.ca. On the right hand side, they can click the box that says municipal revenue sharing, find the municipality, and see the historic levels of revenue sharing since 2007 in their city, town, village, or RM [rural municipality]. I have to take this time to thank the ministry staff for their hard work on that project.

Mr. Chair, this web app will show a lot of impressive increases to the amount of revenue sharing communities are receiving. I don't have all of them with me today, but some examples are: Saskatoon, 137 per cent since 2007-08; Regina, 133 per cent since '07-08; the RM of Buckland, 202 per cent increase since '07-08; the town of Carnduff, 117 per cent since '07-08. I hope all the members here and that people watching at home will look up revenue sharing for their municipalities. It is something that this government is very proud of.

Mr. Chair, our government is continuing our commitment to

municipalities by working with them to help maintain and build on the Saskatchewan advantage. Our government set goals in the development of this budget. The priorities of this budget are to keep our economy growing, keep our election promises, and keep government spending under control. I believe this budget has met those goals.

We as government know municipalities drive economic growth. Our commitment to municipalities in this budget shows that we are investing in those economic drivers. Overall our 2012-13 Ministry of Municipal Affairs budget is \$386.8 million which includes the Saskatchewan Municipal Board.

As a Minister of Municipal Affairs, I believe I have the best stakeholders in the province. Municipal leaders know their communities and the needs of their rate payers. That's why 373 million, or 96 per cent, of the Municipal Affairs budget is direct grant money for third parties, almost all of which is provided to municipalities. The remaining 4 per cent of the budget, or \$14.2 million, is used to deliver programs for the day-to-day operations of the ministry. That includes 9.8 million for salaries, 3.1 million for operating dollars, and 1.2 million for accommodation. This section of the budget increases 1.4 per cent over '11-12. The Ministry staff level has been decreased to 127.8 FTEs [full-time equivalent].

Breaking it down further, 373 million in the ministry budget, which is dedicated to grant funding for third parties, includes: 237.4 million in revenue sharing to municipalities, continuing to reflect one full point of the PST [provincial sales tax] as promised by our government; 48.4 million to municipalities for municipal infrastructure investment; 55.5 million which flows through Municipal Affairs from the federal gas tax program; 6.1 million allocated to the Saskatchewan infrastructure growth initiatives to cover borrowing costs municipalities incur for commercial and residential lot development; \$3.2 million to municipalities for the transit assistance for people with disabilities program; 9.6 million for the operation of the Saskatchewan Assessment Management Agency; and \$12.3 million for grants in lieu of property taxes.

Municipal infrastructure investment is 48.4 million for the '12-13 budget for the federal-provincial-municipal programs. Our budget includes 56.1 million provided through the federal gas tax program which reflects flow-through of federal funding to municipalities. Our infrastructure funding overall represents our ministry's work to keep up with the demand in municipalities.

As infrastructure dollars still flow for these projects that are ongoing, we continue to work with federal and municipal governments on the development of a long-term, sustainable infrastructure program. In fact in the 2009 budget year, our ministry accelerated \$77.7 million in provincial funding for the needed projects to get dollars into the hands of municipalities to start or continue projects and take advantage of the upcoming construction season.

Overall in 2012-13, our capital investment commitment in the budget is 111 million, 86.9 of which is flowed through from the federal government, leveraged by our agreements, and \$24.1 million which is provincial.

As mentioned earlier, 6.1 million is provided for the Saskatchewan infrastructure growth initiative for residential and commercial lot development, representing an increase of point five million, reflective of estimated funding requirements including funding resulting from regulation changes that introduced a recreation pilot program which will provide municipalities with interest rate subsidies for up to five years on 12.5 million of municipal borrowing to help develop recreational infrastructure to meet the needs of growing communities and surrounding areas.

Also 9.6 million is provided to support the operations of the Saskatchewan Assessment Management Agency. Grants in lieu of taxes are 12.3 million this year — a point five million increase based on our best estimate of funding requirements — and 3.2 million for the transit assistance for people with disabilities program.

In conclusion, Mr. Chair, the 2012-13 budget for the Ministry of Municipal Affairs is strong and effective. It fits within the overall government priority of keeping the Saskatchewan advantage. This budget keeps our promises to municipalities while also being aware of the period of global uncertainty we are currently seeing. Our budget is about responsible government, Mr. Chair. This budget is balanced, keeps the economy growing, keeps our election promises, and it keeps government spending under control. The budget for Municipal Affairs allocates dollars wisely to help move our province forward.

With the assistance of the ministry officials, we'd all be happy to address any questions that are posed to us tonight. Thank you, Mr. Chair.

The Chair: — Thank you, Mr. Minister. Are there any questions for the minister? The Chair recognizes Mr. Forbes.

Mr. Forbes: — Thank you, Mr. Minister, for those comments. I appreciate them and they're a good overview. In being new to this area, I'll have a few questions and perhaps you could lead me through it and help me understand the work of the ministry. It's an important area, particularly as we are experiencing a lot of growth in our communities, and communities are continually, and rightfully so, saying they need support. And if we are to keep the economy going, they need to be there.

So my questions are, probably just as we have a couple of hours here, are you still funding all the programs that you had last year?

Hon. Mr. Hickie: — Thank you for the question. From '11-12 to '12-13, no. There's some federal, some stimulus programs that have actually expired now. They've run through. Recreational Infrastructure Canada program is not funded this year. Infrastructure Stimulus Fund is not funded this year. And the top-off to the Building Canada Fund community component is not funded through MA [Municipal Affairs] this year as they have, they've lapsed. So the commitments are fulfilled and the programs are no longer in place.

Mr. Forbes: — They were fully subscribed, all the money that was allotted that we had in Saskatchewan, has gone out the door and they're done?

Hon. Mr. Hickie: — Yes, that's correct.

Mr. Forbes: — Will we see any of those . . . Will there be loose threads in public accounts? I see that there's urban development agreements that were in the last public accounts. So everything is done done?

Hon. Mr. Hickie: — I'm going to put that over to Wanda. She's got the more detailed explanation, I think is what you're looking for.

Ms. Lamberti: — That's Wanda Lamberti. So there's always a one-year lag from the time that the fiscal year ends and we publish public accounts, or there's a few months afterwards. And so from the budget until the public accounts, it isn't unusual to see these sorts of things happen.

So for example, in this current budget you see, as the minister has said, the stimulus funding has . . . Two of those programs have completed and in fact there is one that comes back on stream again. And that is called the building communities fund major infrastructure component. So that is another one you're going to see, you know, some variance from year to year. We report budget now and then actual expenditures in public accounts.

Mr. Forbes: — My concern, you know, I thought that the urban development agreements — I think that's what they were called, the UDAs — now I thought they had been gone a few years ago, and then I was surprised to see that they were still around.

Ms. Lamberti: — Some of the infrastructure programs we do have extensions on as a result of delays in construction or, you know, weather delays, this sort of thing. So it's not unusual to see some of these things linger, some of these programs linger beyond their original expiration date as well.

Mr. Forbes: — Sure. I appreciate that with the kind of weather we have and different things like that, last year I know with the rain. And this has been a discussion. Are there some of these programs that are current right now, that we're expecting to be on their last year or two that you have . . . that see budget funding now and will be winding up in the next year or two?

[19:15]

Hon. Mr. Hickie: — Thank you. The Municipal Rural Infrastructure Fund, MRIF, will lapse or expire come March of '13, but the remainder of the programs you see there for stimulus and infrastructure will run till '14.

Mr. Forbes: — Good. Thank you. I'm wondering about the full-time equivalents. So you're 127.8 — that's the plan this year. Last year you were 132. And the government has either a lean initiative or they're looking to reduce the staffing component by 15 or 16 per cent, and this is year four. How is the ministry doing on that?

Hon. Mr. Hickie: — We're actually doing very well. We've been running in line with what's been asked of us. I'll have the deputy fill you in as to what positions and the rationale to the drop and what they're corresponding to for their attrition.

Mr. Isman: — Thank you very much. Van Isman. Our reduction this year is 4.2 net FTEs. Actually it's 5.2 that we've reduced and then we've added one additional position. So it nets out to 4.2.

Let me address the one that we're adding, first of all. Our ministry has taken over some responsibilities with regards to education property tax through a consolidation of EPT [education property tax] expertise into one area within government. Accordingly there was a position that was transferred to us from Ministry of Education, so that's the one that was added.

Of the 5.2 that were reduced, 2.2 were positions that were through a consolidation on the accounts payable project that will be moving out of the ministry. This is something that is taking place across government and with a shift in the responsibility for handling accounts payable into the Ministry of Finance. One position was a communications position that we deemed as no longer being necessary and it was vacant. The other two positions relate to some mid-year movements that we're going to be making through the course of the year. We've got a pretty good idea exactly where they're going to fall right now, but the intent is to deal with these through attrition or through a transfer to another ministry or agency. But they have not been specified just yet.

Mr. Forbes: — So four years ago, how many people worked for Municipal Affairs?

Mr. Isman: — In the '09-10 fiscal year?

Mr. Forbes: — I'm thinking about at the height — the most you had — whether it was five years or four years ago.

Mr. Isman: — The peak year was '09-10 where we had 142.5 FTEs. And as I have said, as we've indicated, our target for this year will be down to 127.8.

Mr. Forbes: — So on the 127, can you say how that 127.8 is broken out in terms of different branches?

Mr. Isman: — Our central management services which constitutes executive management and our central services which includes central management services and our communication shop, total 29 positions. I should point out that both our central management services and our communication shops are shared services units and service other ministries beside Municipal Affairs.

We have four positions allocated to the federal-municipal assistance, that's the gas tax program; 81.8 positions which relate to our municipal relations; and the total of 13 positions for the Saskatchewan Municipal Board — that tallies up to the 127.8.

Mr. Forbes: — Now when you had 142.5, is it possible to say how many worked in municipal relations' gas tax?

Hon. Mr. Hickie: — We'll get it to you in a bit. The response was . . . Okay, they have to go back and look in to more detail where the breakdown comes back from that year or this year.

Mr. Forbes: — And you know I didn't quite get down. You had the gas tax people, the municipal relations, and what was the next group?

Mr. Isman: — Saskatchewan Municipal Board for 13.

Mr. Forbes: — So I think I have a pretty good idea what the central agency folks do, the gas tax people. What do the 81 people do for municipal relations? What kind of things do they do?

Hon. Mr. Hickie: — Sorry, you're asking for what they do in that position, in those positions? Well they develop legislation and policy frameworks for the operation of the provincial system of Municipal Government, provides advisory and other services to municipal organizations and administers financial assistance programs in support of municipalities.

Mr. Forbes: — So like in terms of advice, what kind of advice would they provide to municipalities?

Hon. Mr. Hickie: — Well that's a great question tonight because . . . And I've said at SUMA [Saskatchewan Urban Municipalities Association] and SARM [Saskatchewan Association of Rural Municipalities] in my speeches that — and I didn't know this until I started, you know, getting ready for the conventions — we take approximately 30,000 calls a year to the advisory services from various stakeholders in the province, whether they be councillors asking for advice, administrative people in the sector, ratepayers as well, asking why things are done a certain way.

So it's a little hard to break down 30,000 calls. But it's pretty extensive. They range from all those different areas plus advice on how do you . . . Some of these cases would have been I'm sure on the exact handling of some of the applications moving into the, you know, all the infrastructure pieces that we saw the funding come from the federal government for economic stimulus and what they need to do to apply. And plus we're, a lot of the phone calls we're getting on when the rainy season was last year, like you said, you know, some projects couldn't be done. What does that mean to them? Can they get extensions? Those kind of things.

But if there's any more, you want to add any more, Van? So I'll pass it on to Van for more detail, but it's pretty extensive with 30,000 calls a year we take.

Mr. Isman: — I'm going to provide a little bit of an overview of the ministry's structure within that particular area in terms of municipal relations, and in no particular order.

Our strategy and sector relations area focuses on a number of different things but works very closely with SUMA, SARM, the New North. It's also in that area that our municipal advisors are based. Now they spend a lot of time in terms of answering questions that come from the public but also working with municipalities. How do they draft a bylaw? How do they handle, how do they interpret a piece of legislation? Those types of things. And the majority of our interface in terms of a lot of those public questions are through that particular branch.

Secondary is the grants administration and financial

management unit. And it's in that area that we handle all of the grants, and that includes both the infrastructure programs that we administer, including the federal gas tax program, as well as the payments through revenue sharing to municipalities. At any one point in time, there may be as many as, I believe, about 19 different programs that we're dealing with within that particular area.

We also have a La Ronge-based branch called northern municipal services that is focused very much in terms of northern Saskatchewan of dealing with the northern municipalities, but also the unincorporated areas in northern Saskatchewan where the ministry serves as mayor and council for those particular areas in the provision of services.

We also have the community planning branch where we focus in terms of working with communities in terms of the development of official community plans, zoning bylaws, and helping them do on a very coordinated basis the type of work that is involved in effective community planning. That branch is also responsible for the review and approval of subdivisions within the province, with the exception of the larger cities who have delegated subdivision authority.

Last but certainly not least is our policy development area. We have a lot of legislation that our ministry is responsible for, but it's also through our policy development area that we're also responsible for the education property tax and the overall assessment system that we work closely with SAMA [Saskatchewan Assessment Management Agency] on.

So that's a bit of an overview within the structure of what we do.

Mr. Forbes: — That's very helpful. But you've just twigged a question from my colleague, Ms. Sproule.

Ms. Sproule: — Thank you. I'm just curious about the official community planning capacity that your officials work on. Is there any coordinated effort with neighbouring First Nation reserves in dealing with community planning?

Hon. Mr. Hickie: — Thank you. Great question. One thing we always want to encourage of course is that when official community plans are being developed by the municipalities that would be next to or have First Nations around them, we'd ask that they would do some of their own consultations and look at some of those avenues of co-operation and working together in a planning process. Not required or mandated by any means, but we encourage them to do that, and we let the municipalities with their own autonomous governments decide whether or not they want to.

We have a couple of examples in the province around La Ronge and the WaterWolf. If you have more detailed questions about those two, we can bring it up with staff.

Mr. Forbes: — Getting back, you have a La Ronge office. And how many people are staffed in the La Ronge office?

Hon. Mr. Hickie: — Thanks. We have 11 in La Ronge and one's in Buffalo Narrows. So a total of 12 manage the North.

Mr. Forbes: — Has that been reduced over the last four years? Has that been pretty stable?

Hon. Mr. Hickie: — It's been constant to manage the North. To manage the North, we've kept it constant.

Mr. Forbes: — It's just been the same number.

Hon. Mr. Hickie: — Those numbers are staid, yes.

Mr. Forbes: — Okay, so . . . [inaudible] . . . And in terms of the community planning branch, the folks who . . . or I'm not sure if it's a branch, the community plan . . . Okay. How many people in that branch?

Hon. Mr. Hickie: — There's 20.8 FTEs.

Mr. Forbes: — Has that been reduced at all, or has that been constant?

[19:30]

Hon. Mr. Hickie: — There's been a change of about three FTEs we can report tonight. But one thing that the community planning division was tasked with under the lean process was to take the application process and look at how to make it more efficient for our stakeholders. So the waiting time for a community planning branch to get an application for an official community plan was 80-some — oh subdivision, sorry, approval — was 80-some days. Now we're down to just over 30, so the lean process has worked very well.

The staff found those efficiencies internally, so hats off to them for that, how to I guess get rid of the red tape or the bureaucracy that was there before, from 80 days down to 30-some, so subdivisions are being approved quicker in the province.

Mr. Forbes: — Tell me, what were some of . . . How did that change from 80 days to 30 days, you're saying?

Hon. Mr. Hickie: — About that.

Mr. Forbes: — Okay.

Mr. Isman: — Van Isman. The reduction that took place there is for a couple of main components that entered into that reduction. The first one was some analysis done by the staff where they realized that a very significant number of the subdivisions that came in were very simple, very straightforward, and it might be hiving off a particular lot from a quarter section or something of that nature. And so they put in place a more simplified process that could be fast-tracked in terms of feeding it through the system.

Secondly, for the more complex subdivisions that were taken into consideration, they went through and they actually did a process analysis, and they found that there was a number of areas where they could streamline within those steps and preclude some of the steps. So actually there was tremendous improvements in a lot of them. But there was a significant number that were very simplistic subdivisions, and it was very easy to handle those in a more streamlined, much more efficient method through what we've referred to as a fast-track system.

Mr. Forbes: — So you have . . . And this would be for communities that don't have the power themselves or the capacity to do this. So I would assume city, there are probably three or four cities that can do it. What cities can do it?

Hon. Mr. Hickie: — Ten cities actually do their own subdivision approvals. If you want the actual breakdown, we can give it to you in writing which ones do, which ones don't.

Mr. Forbes: — Okay, yes. And I appreciate you giving in writing, and in one way I expect that in writing.

Hon. Mr. Hickie: — You can expect that in a couple minutes.

Mr. Forbes: — Oh, wonderful.

Hon. Mr. Hickie: — Just give me a list, and I'll read it off for you.

Mr. Forbes: — Okay, all right. Before the end of the evening. That's great. It's not a burning issue, but it's just good to know.

A Member: — Three years ago it was 80 days.

Hon. Mr. Hickie: — We'll get it quicker. We'll get it for you in less than 30 because David's nice.

Mr. Forbes: — So I'm curious though, in terms of this lean process and doing this, what kind of things have you done internally to internalize this? Do you have your own people that are trained in this? You have training trainers? Have you taken an approach that's unique to you, your shop?

Mr. Isman: — We've gone through quite a bit of training within the ministry and actually approximately, well slightly over 50 per cent of the Municipal Affairs staff have been able to receive lean training. Most of it's been one-day training. There's a number of us that have taken three-day workshops, and then we have actually developed some expertise in order to help guide the process with two or three people within the ministry where they've taken advanced training.

Mr. Forbes: — Where would you get this training from, and how much did it cost?

Mr. Isman: — The training was provided through the Public Service Commission, and the costs were absorbed by the Public Service Commission.

Mr. Forbes: — They would have . . . It's within their budget because I can imagine with a staff of 120 that, each one having a day or two, it might be worth a full . . . This could be 50,000, \$100,000, 200,000 to implement this program in the ministry.

Mr. Isman: — Conceivably it might otherwise have been, but there were some central resources within government that provided that training, so a lot of it was being handled internally.

Mr. Forbes: — So has there been any tracking of the . . . I mean you have the positives for sure of any initiatives have positives you hope. But any initiative has costs, and I'm sure you must have some idea of what this cost the ministry.

Hon. Mr. Hickie: — It's a good question. If you think about the fact that these staff members who are attending these training sessions are already working, they're being paid to be at work, but on that day they go to training. So that cost is already within the purview of the ministry that pay their salaries. So there's no overtime incurred, no backfill, no weekend work for overtime. We did have the train-the-trainer kind of a course, so that particular day, the expert from MA would have gone to those sessions and it would have been of course within the actual salary dollars that they're paid. So there's no additional expenditures incurred or have to recoup from anybody.

So when you say there's a cost, I guess the cost is regular salary dollars that we'd be paying for MA. And there's no backfill. There's no overtime associated with those people that go on those training days either. The other staff just work in the divisions and manage it while the people are away.

Mr. Forbes: — So you're saying no cost?

Hon. Mr. Hickie: — In the actual training cost, no. But for the salary that we pay for those people to go to those courses when they go, yes absolutely, because they do those courses when their regular Monday to Friday work schedule is on. So they attend as a regular workday.

Mr. Forbes: — I guess my point is, you know, as a teacher, my experience is we have PD [personal development] days. They're counted as PD days or valued as that. We have student contact days. They're valued as that. We just don't say, you're at school; you do whatever. You know, you must have a plan here. And this is what I'm trying to drill down to.

You must say . . . And it's a good thing, could be a good thing. We're learning more about this lean program. But I guess I'm, you know, having a sense from you folks that either you don't know how much it costs or it didn't cost anything, but yet it's producing great results. I'm just finding it hard to believe that the ministry didn't have a sense of, when deputy ministers sat around, said so this is what we're going to be doing, how much is . . . What's the impact? What's the impact? Because I think every, every employee's going to be at work, but you have a choice of whether you do this or you do that or you answer those 30,000 calls or you take a workshop, and those 30,000 calls wait for a day or two.

Hon. Mr. Hickie: — Okay. Thank you. Well, you know, I take some exception to the way you worded that question of what you think we don't know there's a cost or not. I made it very clear to you that there's no overtime costs incurred or backfill. And when it comes to your PD reference as a teacher and a principal, you had an obligation to hire a sub when some of your staff were on PD days. I know you did because my wife's a teacher. So I know what happens sometimes.

If you're referring to a backfill, in this case the overall first training costs would have been associated with the Public Service Commission for training of the actual process. Now once that occurred, the PSC, [Public Service Commission] . . . And you're going to have to ask that minister that question if you have a chance to see her in estimates. But what we can tell you from MA is that over about a two-year period, with staff

members attending the training days and one person in MA who actually became more of an expert in the field to bring back that training to the divisions, again those costs are already paid for by taxpayers as regular workdays. There's no backfill associated over time. Other staff would, over this cycle, still be in the divisions to answer the phone calls, do the work.

And it's a culture change that's taking place in MA. I think I can speak freely about other ministries as well, that what we're seeing is that because the grassroots front line staff came to the government of the day — which is us — and found the efficiencies within, there has been a corporate buy-in to improve service delivery through not just MA but other ministries, and a very strong sense of accomplishment and pride that's come with that. Because they were asked to look internally, they came up with solutions to this bureaucracy that's been in place for a number of years. And every aspect has been looked at, and through this culture of change that we've seen over the last couple of years, that they're finding efficiencies that they can say make their jobs easier for service delivery for the stakeholders. They still do the work internally, but the culture change is there.

So if you want to keep going on the avenue of cost, I mean I think I've answered the question a couple of different ways now for you. First reference to you is to talk to the Public Service Commission minister about that initial cost when the program was implemented. But if you're trying to delineate the fact that staff salary dollars are paid on a regular basis, Monday to Friday, by the taxpayers for the services of these individuals, and they go either internally — they stay in the house and they do a course in the board room — or they go out to their facility because they share another service trainer, salary costs are the salary costs. But no division is left with any gap that day when they're gone, and when they come back they implement what they've been given for the instructions. So I'm not sure what you're trying to get at because my answer has been pretty clear on that so far.

Mr. Forbes: — Let me put it another way. And the reason I haven't accepted your two previous answers is because there has been no number attached to it. So maybe there is no number. And that's fair enough if there is no number, no dollar figure.

But to continue this metaphor, and as your wife is a teacher, you know we have teacher institutes where there are no students, so there's no impact on students that day. And it's planned every year that we will have five or six days of in-service, and it's not a cost to the school division other than the salaries, but we have different topics.

So I guess I have two questions for you. Does the staff of the Municipal Affairs regularly have these kind of training days and this just happened to be the topic over the last couple of years, so there was no impact? Or was this above and beyond the normal staff training that would happen, and therefore it would have an impact on the work? Because if I was a teacher and was above and beyond the five or six days, then you start doing, you start having an impact on students. Then you start to have to bring in other people. But if there was no change in what the work here was like and they have X number of days of training and this happened to be the topic for the last couple of years,

then I can accept that. And if that's where we're getting at, that's where we're getting at. But if this is above and beyond, then that's what I'm asking.

Hon. Mr. Hickie: — It's a good question, fair question. What happens with the deputy minister is that he will look at his staff and through the ADM [assistant deputy minister] and down. You know this role. They'll assign training days within a specified budget that is within their budget allocation for training. Now if, in that particular cycle of a year, the deputy minister believes that his initiative would be to have lean as a better . . . as a training mechanism for the staff, you're right, he would assign certain days for staff if that's what he wishes to do to ensure the efficiencies of the organization. We also fund other individuals to take other courses that have not gone to lean.

But the deputy minister has that training cycle within his purview, along with his HR [human resources] division, his HR staff, that will actually address that. So again it goes to the point of the deputy trying to figure out who requires certain elements of training to ensure the efficiency of the operation. Some individuals are sent to different courses within the training calendar as well. But I'll let the deputy go into more detail for you to further explain how he will take that initiative, and then drill it down to who gets what and why.

[19:45]

Mr. Isman: — Thank you, Minister. A couple of things on lean. First of all, in terms of the backlog that was reduced, the training paid off in terms of seeing the reduction in terms of the backlog that was waiting for processing, and bringing the average processing time down. If we could do more training and continue to bring it down — and we've improved it by 60 per cent — we would do that, because the net benefit is very much in favour of those people that are coming to the ministry for a service. So ultimately yes, there was a cost in terms of the wages for the staff that took the training over that particular period of time. Having said that, on one hand it allowed them to deliver the service in a faster fashion and more efficiently and more effectively. So from that perspective we considered it to be an investment well made.

As relates to what the minister had just indicated with regards to central training that's done within the ministry, we have a centralized training budget that we apportion within the ministry. We focus some of it into specific needs and areas that are priorities for within the ministry, and then we also allow . . . And that's about 30 per cent of the allocation that's there. We also then allow an allocation based on the actual learning plans that tie into the individual work plans of all of the staff in order to advance their abilities to do their jobs better.

Mr. Forbes: — How much is the training budget?

Mr. Isman: — The central training budget last year and again this year is \$100,000.

Mr. Forbes: — And that may . . . That covers a big chunk of the lean training, but not all of it?

Mr. Isman: — As far as the lean training that we have

received, the actual provision of the training was provided by the Public Service Commission at no out-of-pocket cost to the ministry other than the time of the individuals.

Mr. Forbes: — So they didn't charge you back for the training?

Mr. Isman: — Correct. Correct.

Mr. Forbes: — Okay. Now you mentioned that there were some people who were trained to be trainers, some people who took, who took three-day sessions or more. I don't know if there's more. You can tell me if there's more. They refer to three. How many people took the three-day sessions and how many . . . Tell me more about that level of expertise.

Hon. Mr. Hickie: — If you have pen and paper, while they're actually going through this, I can give you the names of the cities that do their own delegated subdivision approval, if you like. Okay. I'll put it on record. I'll read it out and then you can . . .

Mr. Forbes: — Okay, that's better.

Hon. Mr. Hickie: — These ones do have delegated subdivision approval authority: Regina, Saskatoon, Moose Jaw, Estevan, Weyburn, Lloydminster, Yorkton, Swift Current, Prince Albert, and North Battleford. Those 10 do have delegated authority, so that's on the record now.

Mr. Isman: — Thank you. There were now I'm going to say approximately 12 people that took more than one-day training that . . . It was a two- to three-day program. In some instances it was done fully contained within two days, and sometimes it was spread out over a half day, a full day, and another half day, so over a three-day cycle. And the reason I say approximately 12 is because we've had some people that have subsequently retired who had taken the training or moved on from the ministry, and we've had some other people come that have taken the training elsewhere. So it's an approximate number but it's pretty close.

Now we have one additional person that we have been training to facilitate lean and be able to help guide us through the process, a very capable employee of the ministry, and he is close to having his completed accreditation for going through that process. And then there are two people that have been working with him very closely so that they are learning from him and have been helping him facilitate some of these processes.

Mr. Forbes: — And for the fellow that is the main person, how much of his time would be working on lean? Point five, point two five?

Mr. Isman: — Obviously in terms of his work schedule, it depends on what the demands are at any one particular point in time. Overall we're estimating that it would be between 30 and 40 per cent of his total workload would be in relation to lean.

Mr. Forbes: — Okay, thank you. I want to get back to the 30,000 calls that you get. And you get 30,000 calls from all sorts of people: councillors, individuals. What kind of system do you have to take . . . Is there a hotline or is it just . . . How

does that work?

Hon. Mr. Hickie: — I'll let the deputy minister answer this one. I'm sure there's one number that comes in and that lady will, or that individual will move the calls around based on what the content is. But, Van, do you want to answer that?

Mr. Forbes: — 1,000 callers, 1,000 calls a day?

Hon. Mr. Hickie: — It's 30,000, yes.

Mr. Isman: — Thank you, Minister. There's actually no wrong entry point in terms of people making contact with the ministry. Some of those, some of those calls actually come to the minister's office, and they refer them on to us. Some of them come to my office or anywhere. We actually do have numbers that are promoted through our website in terms of our municipal advisory services, and we channel that down to our municipal advisers.

Often if there are calls that relate to, oh, a subdivision matter, that would go to our community planning branch. Or if it's a zoning issue, that also would go to community planning. Often there is calls for grants or issues surrounding revenue sharing so that would go to the particular branch, grants administration and financial management.

So a majority of them, when it's to deal with municipal governance — and that's where we see sometimes frustrated people will be phoning about one item or another or trying to ascertain whether or not their taxes are too high or something like that — they typically end up with one of our very capable municipal advisers.

Hon. Mr. Hickie: — And if I can, I think I heard you say 1,000 phone calls a day? It's 30,000 a year, I said. So . . .

Mr. Forbes: — Oh, yes. That sounds right.

Hon. Mr. Hickie: — Yes, so you're a little bit off there. So yes, quite off.

Mr. Forbes: — Some days. Some days seems like a thousand. So on these calls . . . I am interested because we do get lots of calls ourselves or especially, you know, I'm dealing with an issue right now with somebody's upset about how fast the city bus goes down one street, and feels I should be able to do something about that. And I say, you've got a city councillor. They feel like that's not working the way it should.

But you know, some of the reading I have done in this area, it talks about whether there should be an urban ombudsman. Have you ever talked about that or thought about that, or fair practices . . . You get, it sounds like you get calls not only from people who are elected, but people who are citizens who are unhappy with the state of affairs in their community.

Hon. Mr. Hickie: — Well thanks for the question. You know there's, within those phone calls we do get, a lot of it is the frustration of the ratepayers who indicate that they aren't happy with what's happening at the local council level, government level, and . . . governance level, sorry. So when inquiries come in we advise them as to steps that have to be taken, that they can

seek remedy locally.

Now of course we advise them as well that councillors and the councils have Acts they have to follow, and rules and regulations as well. So if at the end of the day the ratepayer, the individual that calls isn't happy with our answer and, of course, we will indicate very clearly that local governance, unless it's an obvious violation of a rule . . . They want us to step in, for the most part, and solve the problems and in most cases they want us to fire councillors or councils and take over. We don't do that as a regular practice for sure, because these are usually issues that when someone does call in the office and they're referred back to the process, they recognize that we empower them with the rights that they have as well, that they weren't aware of.

At the end of the day, they're also advised if they don't get the remedy they so wish to see, after they're empowered with the steps that they weren't aware of before, civil action is the next remedy for them that they could take. So at the end of the day the advisers will tell, based on every different inquiry that's made, and you can appreciate the nuances from one person's particular issue with one councillor or council to another.

But the advisers do a great job, as I've seen the correspondence back and forth and the log reports, that people are really happy with the advice they do get, and they understand there's a process to follow — probably never had the knowledge, or the local councillors or maybe the local administrators were never called. They came right to the ministry looking for us to take them over. And when we tell them the steps that are there for remedy, they're quite thankful. And we've . . . I would like to think that we have very few callbacks after that because we do get them to go to councillors, council meetings. They do petition to be heard. And at the end of the day, I think the overall satisfaction is there with the response from the ministry, to be sure.

Mr. Forbes: — In many ways, yes, I agree. It's a different level, and what people need is more information. In fact it sounds more like a fair practices office that SGI [Saskatchewan Government Insurance] has or Workers' Comp where they don't get involved with the solution but the process, and that's always helped out so much. But I do think from my reading, it seems to be an issue right across Canada, that people are feeling frustrated and they don't know who to call. They think of government as just government. They don't differentiate between the three or four different levels of government. And yes, so I think that's interesting you have 30,000 calls.

I'm wondering when . . . I just wanted to also talk or ask about the issue around consultants. Do you use many consultants?

Hon. Mr. Hickie: — Thanks for the question. On a specific project-by-project basis, yes we do. I can say right now that, as you're aware with the revenue-sharing pool, a review is being conducted now. It just started with the first meeting between the tables. As was the case when the first agreements were made, there was a consultant engaged to help out with the North, I believe, Keith?

What we're going to do in this case, we'll be doing our fee for a consultant to come in and be there again to have an unbiased

opinion, view as to . . . and channel the discussions because we understand the four tables will have their own particular nuances. And we'll have some mediation to take place, I think, to come to consensus on this four tables that can come to the, how they cut the pie up again. So that's one case where we'd use a consultant.

We would use consultants on a project-by-project basis, like I said, if the need, if the expertise within the ministry is not there. I'll pass it off to the deputy. Maybe he can give you some more detail. That's the one case that comes to mind, for sure.

Mr. Isman: — I'm not sure if this is exactly what you were interested in, but we do actually contract out quite a bit of work to independent auditors, in particular for things like the gas tax program, in terms of verifying how the monies were spent and that they were appropriately spent.

The same thing with a lot of the cost-shared federal-provincial programs where we contract different auditors. And it's done through a pretty broad basis where we team up with Highways and Infrastructure in terms of zeroing in to affect some economies of scale with some of the auditing firms. But there is, I would suggest, in terms of the consulting work is actually quite dwarfed in comparison to the amount of external auditing that we contract.

Mr. Forbes: — In terms of the auditing, has that been a standard practice for many years?

Mr. Isman: — For gas tax, yes, since its inception.

Mr. Forbes: — Okay. You were talking about other grants. Or is this the first time it's only been used for gas tax and . . .

[20:00]

Ms. Rintoul: — Yes. It's Kathy Rintoul, executive director in the grants admin area. With regards to . . . I'll just follow up on in terms of practice. The federal gas tax program, as was mentioned, it has been a standard practice since that particular program has come in.

In terms of the practice that we use for other federal-provincial programs, over the last three years is when under the agreements that we sign with the federal government there are requirements for audits to be done. It can either involve the audit of the program itself or it can involve the audit of the recipient. So in our case, that's an audit of a municipality. So over the last two to three years, we have certainly been doing a lot more of those audits, and, like I say, it is something that's a requirement under the agreement.

Mr. Forbes: — Do you have auditors on staff?

Ms. Rintoul: — We do have a couple of auditors, and they audit a little bit differently. So in addition to when we hire an external audit firm, we also have people on staff. And so what they are looking at isn't an audit per se, it's more of what we call a claims review.

And so municipalities, in order for us to make a payment to a municipality, we do in fact have staff. So we have professional

accountants on staff who do review the submissions by municipalities to make sure that they're in compliance with the agreement. And we do that before the payments get made on about seven of our programs.

Mr. Forbes: — So how many of those accountants do you have?

Ms. Rintoul: — We have — I'm just trying to break it down by program — we have under the gas tax program, we have a professional accountant that looks at the claims that come in for the gas tax program. And then we also have an accountant that looks after several other federal-provincial programs. So to answer your question, we've got two, two full-time people employed.

Mr. Forbes: — How many professional accountants did you have four years ago?

Ms. Rintoul: — Both of those people were employed in the branch four years ago.

Mr. Forbes: — You had no others?

Ms. Rintoul: — Not that I can recall. I believe those two positions have been working full-time doing audits for whichever particular programs were needing an audit at that time, one of those dedicated to the gas tax program and the other dedicated to the variety of different federal-provincial agreements that we manage.

Mr. Forbes: — Okay. And, Mr. Minister, you were referring to the . . . Let's go back. You were talking about you're hiring a consultant to help with . . .

Hon. Mr. Hickie: — Oh, the revenue-sharing pool review?

Mr. Forbes: — The revenue-sharing pool and that that had happened when it was first done, that there was a consultant hired.

Hon. Mr. Hickie: — I'll explain. I'll just let Keith take that one. As the ADM, he was really intimately involved in that process. But I know that there was certain expertise we had to require. It had never happened before in the province. Because for years when the budget came down, the day of the budget, the government of the day — which you were — decided what was being shared with the municipalities.

This way, with this new 1 per cent or one point of PST, a mechanism had to be put in place in conjunction with the Act to ensure that it was done properly, and we went to the outside agencies to give expertise. And I'll let Keith jump in now.

Mr. Comstock: — Good evening. My name is Keith Comstock. Yes, with respect to the development of the revenue-sharing program in particular, in '06-07 when we were designing that program, mostly in '07, we hired the services of a consulting firm out of Edmonton to give us a hand with the financial analysis and the program design. And it was new. It was uncharted and new territory for all of us. And we felt it was important, because of what was at stake, to have an impartial third party there that could help us, guide us through the

process. It was good for our staff as well because then we could participate and not have to facilitate. That worked very well. And the program was designed, and, you know, it's been functioning very well.

The regulations that accompany the revenue-sharing program require that, in the year after each federal census, that we do a review of the pool allocation. So there's a lump sum that goes into the municipal revenue-sharing program, and it is divided amongst four pools: cities, towns/villages, rural municipalities, and the North. And that was a percentage. That was one of the things that the consultant helped at the beginning was help us how to figure out what those percentages should be in each one of those pools. So the regulations require us to do a review of those percentages the year after each federal census. So that's the process that we've just begun now that the minister is referring to.

So we have an excellent relationship with the municipal sector. Virtually all of the projects the people in the municipal relations division undertake we do in co-operation with the sector. So we have a steering committee — folks, representatives from cities, rural municipalities, from the North, and from the town and villages — that are working with my staff and others to go through this process of determining what would be some recommendations to government, you know, if we were going to look at the pool allocations again.

So we believe that it's probably in everyone's best interest this time to actually get some outside expertise to help us through that process again. So that's the specific example the minister was referring to.

Mr. Forbes: — Two questions about that. So you alluded that it was started in '06-07. When did the roots of this all begin?

Mr. Comstock: — Well revenue sharing has been around since the '80s, so it's . . .

Mr. Forbes: — Did it take a turn in '06?

Mr. Comstock: — Beginning in the last end of '06 and just mostly right after the election in '07 was when the work started in earnest. Yes.

Mr. Forbes: — Sorry, I jumped in there. So you're saying this . . . Say again?

Mr. Comstock: — The work on the new revenue-sharing program, the way I described it now, began right after the election in '07.

Mr. Forbes: — So what was happening in '06?

Mr. Comstock: — Well there was continued discussions with the municipal sector as there had been for the 10 or 12 or 15 years before that about needing to bring some, you know, some surety to the program and trying to decide what the right amount was and how it should be allocated. So there was many discussions over many years about what the right approach was, and then in '07 was when we started the work on this new program.

Hon. Mr. Hickie: — I'm going to get in too, please. So what happened for the years running up to '07, that convention after convention with SUMA and SARM, municipal leaders told the opposition of the day, the government now, that they lacked a predictable funding model, that they knew when they went to budget prep that they had X number of dollars that they could budget on. The government of the day, which was the NDP [New Democratic Party] at the time, would go to budget after budget, and on budget day would release to the municipal sectors what they in fact would get for their revenue sharing. [Inaudible] . . . that the sector during the consultations leading up to the election, with stakeholders, was just that — a predictable model.

And we, the Saskatchewan Party government, or opposition, came up with this new formula of one point of the PST. Seemed like a logical step. Of course the stakeholders agreed that that gives them predictability. So if the province is doing well, the economy's doing well, it will go up, and the one point will be reflective of that.

Also within that context is that if we won the election in '07, the agreement was if the economy was to start dropping down, that would also be affecting the revenue sharing. And they were fine with that because they could predict that. So at the end of March 31 of this last fiscal year, that tells them what to expect down the road. They knew exactly based on PST revenues what they would get within the, for the big lump sum. Then it gets broken down.

So the predictability is there for them. So that's one of those models where after many, many years of not having it that we're very proud to have implemented that particular type of program. And to Keith's point, yes. I mean they would always ask for that kind of predictability. Never happened. And what happened in our case is that this has been very well received by municipal sectors.

And I'll take my hat off to the work of the Municipal Affairs staff. They came with the sector. The relationships were already there, but they worked with the sector to develop this plan, this formula, with outside consultant as well as being a bit of a mentor, I guess, who had the expertise in this area to help get this process done for the first four years.

Now that we're into a year after census, we have to bring the tables together again to work on this next area. Whether or not it changes, I'm leaving it to the sector to advise through the consultant to the minister of the day as to what kind of new funding formula will be in place. The cabinet will make out, will make the final decision come September of this year. But again it's predictability that wasn't there before. And they're very happy with that.

Mr. Forbes: — Well I have a question about predictability, and it comes from the budget summary, page 37, where it talks about PST revenue and how it's going to be calculated. And it talks about PST revenue as forecast at 1.3 billion in 2012-13, a decrease of 24.5 million from 2011. But they talk about a new accounting standards.

Is this part of your predictability plan that they were . . . Were they well aware of this before election day that this was going

to happen, that in fact that the SLITC — which is the low-income tax credit, Saskatchewan low-income tax credit — from PST was going to be deducted, the 80 million from PST revenue, and then that would be part of the new calculation? So, Mr. Minister, did the municipalities know? Is this part of their consultation process that they were aware that this change was going to come?

Hon. Mr. Hickie: — Great question. No, they were not. In fact the week prior to the budget, we were informed of the Public Sector Accounting Board changes through the Institute of Chartered Accountants that this change was coming, that they would change how low-income tax credit is deducted off of the government books. So in that case, we informed the stakeholders the morning of the budget that what was predictable this year of a 9.5 per cent lift, next year's budget, 15 per cent lift wasn't affected. However, looking at what was coming down, the '14-15 numbers right now, we have to consult, get out there and consult with the stakeholders, work with the Finance officials and with Wanda's branch to figure out how this will have an impact on the predictability of that particular one point of PST.

We, right now, are going to start those discussions in April with the stakeholders. And it was news to everybody in Municipal Affairs and the stakeholders. So to go back to your question at 2007, yes, 1 per cent of PST, one point of PST was a predictable function. Because of this accounting change that's instituted on the province now from PSAB [Public Sector Accounting Board] accounting practices, we're going to have to have a very open, fruitful, frank discussion with the stakeholders. They're looking for that as well. That day of the budget, they were very open about that. They were expecting that those discussions will take place.

But they know that it's predictable for next year's . . . and was poorly reported by an individual that next year's budget would not be 15 per cent. But it is 15 per cent lift based on the numbers from this year so . . . or from last year, sorry. So what happens is that this is predictable at that point. But working with the stakeholders and Finance, we're going to have to get our head around this one, see what it is. It's an accounting change. What does that mean on the bottom line? We are not sure yet, so we'll be working with Finance officials on that. Van, do you want to follow up on that?

Mr. Isman: — Thank you, Minister. I just wanted to reiterate what the minister said. So for '12-13, the number has already been determined. For '13-14, once public accounts have been completed for the fiscal year which just ended, the number will be known because of the one-year time lag on the revenue sharing formula. So really in terms of the new way of calculating provincial sales tax that kicked into effect yesterday, I guess, that won't have any effect until, not in '12-13, not in '13-14, but in '14-15 for the municipalities.

And as Minister Hickie had said, this caught us off guard. It's not just the low-income tax credit. There are a number of other changes that are happening through PSAB to how PST is going to be calculated. What we've indicated to the municipal sector, and as Minister Hickie stood up and told the sector, we need to learn about this and we're going to have to consult with them.

[20:15]

Mr. Forbes: — So the group that . . . public accounts . . . Who brought this change forward?

Mr. Isman: — PSAB, the Public Sector Accounting Board. It is a division of the Canadian Institute of Chartered Accountants, and they in fact are the organization that set the standards for accounting bodies throughout Canada.

Mr. Forbes: — So this is a national organization?

Mr. Isman: — It's the same rules that are followed by all the provinces and the federal government.

Mr. Forbes: — And they saw this as a problem? Can you explain why they thought this should be deducted first and why that would impact the revenue sharing?

Hon. Mr. Hickie: — That's a good answer. I'll tell you what. I think, to be honest with you and to be really fair with you in this one, we can only say that the Public Sector Accounting Board has dictated this practice now as a national standard. Where the evolution of it was, what consultations have taken place with provinces, you're better to ask the Minister of Finance that at estimates that day because we don't know where this actually . . . This was talked about since 2008ish, I understand from the officials.

The problem is that it's a uniformity of what's going to happen or practised across Canada. She, the lady was also talking about how the universities were looking at the same kind of standard. They were going to apply to the same standard for universities.

So we were told about it a week before the budget, and we knew it was coming. And for our purposes, there's also other different commissions and different plusses and minuses on that whole issue that Ministry of Finance will have to be the ones to be asked that question.

We're going to be consulting with them to figure out . . . As you can appreciate, they worked very long and hard hours to get the budget together. When they told us of this, they were very focused on ensuring that the document indicated the new change but also told us that they would be there to work with us along with Wanda's shop to see what the stakeholders, what this really means coming down the road as it applies to PST and the revenue-sharing model.

So we told the stakeholders that morning that the predictability is there for the 15 per cent left next year. We just have to work with the stakeholders and the Finance officials to tell us, what is this impact, moving on?

Mr. Forbes: — Well I appreciate the answer. I find it . . . But I know we have to honour what chartered accountants tell us so that it's fair right across the board. I would not advocate for something different.

But I guess what I would say is I find it hard to understand that, you know, the 1 per cent . . . And I think that sounds like a reasonable number, but it could have been 1.1 per cent or 1.2 per cent. It's where the government of the day landed in terms

of what they said. So I'm curious to why, you know, we could not as a government say we're still going to honour the 1 per cent and no matter what the tax credit implication is, why does that have to be taken out? It just seems odd that a third party could step in and sort of toy with an agreement without having a legitimate reason. I don't think anybody was saying that the number was a crazy number or something, was not a real number.

Hon. Mr. Hickie: — I can address that first. Well I guess the premise of your question is about the agreement. The agreement hasn't changed. One point of PST is still there, and it's not 1 per cent. It's one-fifth of the PST number, so it's substantially higher, just to correct the terminology.

But moving on, we are . . . I'll let Van get into more detail about the, you know, the authority of this particular board and why we have to follow along with them, as you appreciate, the national accounting standard.

But I'm not saying that this has changed. We are going to work with the stakeholders. That morning of the breakfast that I hosted and I explained it to them, some of them saw this coming. They'd heard about, through PSAB, some of the things that were happening. They were wondering if it was going to come and hit us, and no one was shocked. They want to work together to see how this impacts their one point of the PST. There are variables that are adding to it and deducting from it, like Van had mentioned. So we still have to work with Finance to figure out what this actually has, the overall impact, moving forward. So those discussions and stakeholder consultations will take place in April. Van, do you want to follow up on that?

Mr. Isman: — If I might. There's a couple of points here that I'd like to make. You referenced the Saskatchewan low income tax credit that's going to be coming off of what is reported in terms of PST revenues. There are other changes as well. And by way of example, up and to this point in time, there is a commission that is made to small businesses for their costs involved in the collection of the provincial sales tax, and that typically in the past has been deducted from the amount that was remitted, and it was deducted from the amount of PST that was being reported. PSAB requirements now require that that has to be expensed by government and not deducted from the revenues.

There are some other nuances that move it up and down. Accordingly, because of the complexity of this and because there are multiple factors, what's going to happen is the amount that is reported as one point of PST in the forthcoming year or the year that we have just commenced is going to be very differently calculated from what was one point of PST in the year that we just completed.

So we have an agreement with the municipal sector that says one point of PST. What we need to do is thoroughly understand the matter so that we have appropriate predictability, but also how we're going to be able to interpret the number that is reported as PST revenue to the province and make sure that we're doing the right thing by the municipalities.

Mr. Forbes: — Just to be clear. I've heard two different things here, and they sound very close. Is it one point of PST or is it

one-fifth of PST revenue? I guess I can sympathize now with the people who are changing the rules. And if it's one-fifth of the revenue, then you do have to expense all these other things. One point is, we think of, you know, it is very close and it's easier to say one point. But really, is the agreement for one-fifth of the PST revenue, or is it one point . . . [inaudible interjection] . . . Yes, I'd be curious.

Hon. Mr. Hickie: — Okay. So under the regulations that are prescribed for the actual allocation of PST in the revenue-sharing model, the maximum amount of municipal revenue-sharing grants that may be paid to municipalities is, for the '11-12 fiscal year and each subsequent fiscal year, an amount equivalent to 100 per cent of a PST point for the second preceding fiscal year. So there's PST is 5 per cent, so it works out to one point of that.

Mr. Forbes: — I appreciate that, because I did hear one-fifth. And so that's very good. Thank you very much for that. I appreciate that.

I want to shift gears just for a minute and talk about the housing strategy. And I know that you may say that . . . And we'll raise questions with the Minister of Social Services. But there's one that I think I do have a question, because I think that I'd be curious to hear what you folks have to say about this, and it's on page 68 if you have the budget summary with you. It's not in the Estimates but budget summary, and then she's getting copies. But what it talks about is the rebate eligibility period. And there's one quote in here which, I think, has a lot of impacts for planning. And it talks about:

Property owners will be permitted to register titles during the development phase or at any time during the rebate period, enabling them to convert to condominium units at a later date. Conversion will result in the housing unit no longer being considered eligible rental housing for the purposes of the tax rebate.

So I'm curious whether your planning branch has looked at this in terms of the impact it has in terms of community plans. Because usually when we have apartment buildings built, they're purpose-built; they're built to be apartment buildings. And from what I'm reading, this is that essentially they can be allowed to be built as condos first that will be rented out, because they can have individual titles, which makes them a condo — unless I'm reading that wrong, and therefore they're not apartment blocks. And what the impact on this for community planning may not . . . may or be significant.

I think this is an interesting program. It has a lot of merit. But I read this . . . For me, flags go up for planning. Because usually we have . . . Cities will plan and they'll decide, we know what this building is. It's an apartment building. It's not a condo and may be a condo later. But the implication is, what does this mean? And particularly when you have 10 cities who can work with this and a couple who cannot. I'm just curious whether you've had any thoughts about this.

Hon. Mr. Hickie: — Good question. You know, this is, as I indicated last year to the former member from Moose Jaw Wakamow, that this is Social Services. And I have no problem saying that again: housing is under the Ministry of Social

Services.

But I will say in regards to your question, this particular issue, that how it relates to any community who wishes to plan for growth and to have a program facilitated from the Government of Saskatchewan, and/or federal government for that matter, as they plan for their communities and their subdivisions, is one whereby they can actually now, like you've indicated, have a project built, which for all intents and purposes would be a condominium because there's registered title, but as a rental market housing.

Now with the provisions as you've read, it sounds like to me . . . And this is my opinion only. I think you should take this up with the Ministry of Social Services, their night that they're here or the day. But I believe what this does is twofold. It allows for rental markets automatically to be fulfilled. There is some opportunity for rental accommodations, but it gives the developer an opportunity to say, at some point in time, he or she or the group will then flip this into a condominium.

[20:30]

But it also gives the cities the opportunity to see when there's an end date coming. So as they plan other subdivisions and future accommodations for growth of rental income, rental properties, they know there's an end date down the road for this particular chunk of property development, so they're going to be encouraging other developers then who come to them to have the same title issued on their particular development. But knowing full well that they are the ones that work within the parameters of a government program rules and regulations to say that if this program ends in whatever year, this program has to then cover off that time, I believe, is the best way to describe this.

Now we would have no say in that as a Municipal Affairs community planning branch. We would approve the subdivision, but the cities would incorporate their own planning and would discuss that amongst their council members and with developers when they come to them. So they know that this gives certainty to when a project would be flipped to condominiums as opposed to all of a sudden doing it like that, like we've seen in the past. And it gives predictability then for other developers to see when their opportunities . . . They can all know that at a certain date whoever develops rental accommodations will have a date to flip them if they so choose, if they so choose, I believe.

But local governance dictates that, at the city level, they would in fact have that discretion in their subdivision planning, which we would approve as a ministry, but the initial consultation with Social Services with developers . . . If you were a developer, let's say, you knew this program was up and running. They know the rules and regulations, and they would go to the cities. And the cities would help them make this particular program functional to increase the availability of rental inventory but also giving the developer the opportunity to say, at some point in time, there could be an exit date to flip those residences into condominiums.

It just allows for that process for registering title to be taken earlier. I'm not a lawyer. I'm thinking that it makes more sense

to do it then as opposed to having to make a split-second decision like we've seen in some of the condo conversions in our cities, displacing people, and then having the other backlash of what do you do with these people, having the condominium developers then register each title and then that happens. So this way there's no . . . We're hoping that the transition from rental inventory to actual permanent home, full-time status homes like a condominium, the hard impact won't be there, felt immediately. There's an end date, and those who rent also know there's going to be an end date there as well, could get an opportunity to purchase that condominium when the end date comes as well.

That's how I would interpret that, but again I'm only the Minister of Municipal Affairs that has nothing to do with housing, except I hear about it from the municipal sector, yes. But the Ministry of Social Services have a great minister and some great staff who have facilitated great programs. And I've come to talk to some developers who are very appreciative, as are the municipal partners, to facilitate these programs through the rebate program.

Mr. Forbes: — I think you're largely correct there, but I know that, I think your ministry was named in the housing strategy that was released last August. I'm not sure if it was or not. And I would back up, and I know our time is getting short here, in terms of the question around you only do subdivisions. And so I'd be curious, does that mean you don't do what's inside the subdivision? You don't decide, is this going to be purely residential? Is it going to be a mix? Or what's a healthy subdivision?

I've looked in your literature, and you do talk about safe, vibrant communities. And in many ways, you know, this kind of thing would be fine, and it's quite . . . I think that you've analyzed it correctly. My question though is that their goal is 10,000 units in two years, which is a very significant impact in many of our communities. And I think we need a lot of rental property. We need a lot. So I can see that that number is a good goal. I'm not sure, for 10,000 apartments, that's a huge, that's a pretty significant number. But when you have 10,000 units coming into communities in two years, because that's what it's saying, the planning is pretty, pretty important. You just can't have 10,000 condos placed willy-nilly in our cities.

And so I don't know. There's not really a question in there, just a comment I guess, that unless you have . . . I guess my question is, I did have a question about your planning in terms of subdivisions, that internally within the subdivisions you've talked about safe, vibrant communities, so clearly you must be talking about what a good subdivision should be. I don't assume that you're thinking that 3,000 condos in a subdivision is a good, a good, strong community. Maybe it is. Maybe I think personally a good mix, but I'm not a planner.

Hon. Mr. Hickie: — I will start, I guess, start off with . . . I may bring a planner into this discussion to let you know what happens. But as I've indicated on record, there are 10 cities that have their own delegated subdivision approval process. Within that process, they would have a plan like . . . I know I sat in, before I was elected in Prince Albert as a member of the police force, talking about when they planned a new phase of a subdivision, what would it incorporate for such as multi-unit

dwellings, single residential, those kind of things. And the planners are the best ones that would indicate down the road if there was a phased approach, like they should be doing, what kind of a balance they have.

Now to your point about willy-nilly and 10,000 units, I know that when Municipal Affairs was in the process on the housing strategy, it was simply as a means and mechanism to ensure that the stakeholder groups, SUMA, SARM, and the like, were also part of those discussions through, and we were at the table within, that group context.

The minutia, the fine details of the program, came out of Sask Housing Corporation and various stakeholders that would be involved. We, as we being the global we, the royal 'we' — not me, but the officials behind me who work in the office — would only be looking at . . . In a subdivision approval process, the content of the subdivision wouldn't be what we approve. The concept of it, within the city, to ensure that there is a bylaw in place that's effective to a . . . that the councils can in fact approve a subdivision in their area and want to have, can have a subdivision. Of course when it comes to all the municipal infrastructure that supports the area, it's up to them to do that. For the most part, and I said before, those 10 do all that on their own. And they would be, as they did in Prince Albert, have open public consultations as well to discuss the future.

I doubt, highly doubt that any city would have a plan that's short-sighted for two years. There is in most cases operational plans for expansion, five and ten years — I know in Prince Albert there is for sure — which talks about various phases and different levels of accommodation within those phased subdivisions and how the infrastructure would be supporting that particular development too.

So I've got Ralph here, who can talk about the planning phases and overall approvals. But again I can assure you that the cities were aware of this program being rolled out. They're very supportive of it. Now that's how I believe they would put a dovetail approach into what's already on the paper, in the works. We look at Regina, look at Saskatoon. Within residential subdivisions, there are various levels of home construction and/or multi-level units which are rental, and there are townhouse accommodations which are considered condominiums for sale, along with condo developments as well. So it's a planning approach that the city would incorporate.

But I will turn it over to Ralph now to understand . . . if there's any more, Ralph, you want to add on that whole purpose and process and the involvement of planners and such moving on in these programs.

Mr. Leibel: — Yes. I'm Ralph Leibel, executive director for community planning. And *The Planning and Development Act* is enabling legislation that helps to provide the authority for the cities, towns, villages in Saskatchewan to manage land use development, look after the infrastructure as been described. And what is critical is that the municipalities themselves have the authority to look at whether they want high-density development, low-density development. Condominiums is a ownership item rather than a land use. I realize that a lot of people look at condominiums in a way that is a high-density, but we have low-density condominium units as well. And it's

critical to appreciate that the municipalities are the ones that will make the decision, through their official community plans or their zoning bylaws, as to the types of developments they want to see to help foster growth in their communities.

Mr. Forbes: — I wanted to make sure I hit that question because I thought it'd be interesting to hear what Municipal Affairs had to say.

I want to get back to the 1 per cent grant. And that is not prescribed about how they can . . . You folks don't prescribe how the cities spend that money, right?

Hon. Mr. Hickie: — That money is unconditional, and we make it very clear that it's to be used in any way that the sectors wish to use it. Of course they have said to us that they use that for various things such as service delivery for their particular cities, and it's never the same city uses it the same way. But it's unconditional funding that we say can be used by them as they see fit. Hopefully in essence . . . And they have been talking to the city mayors . . .

Mr. Forbes: — I haven't asked that question.

Hon. Mr. Hickie: — They have . . . I'm on a roll. They've actually kept their tax rates low based on the fact that there is revenue sharing going on. So they're quite happy with that.

Mr. Forbes: — My question is that with this unconditional grant, as you would know, we had a good discussion in question period about REDAs [regional economic development authority]. And the Minister for Enterprise Saskatchewan was talking about how we've increased revenue sharing to municipalities by nearly 21 million, next year another 35 million. And they, you know, the implication was that the municipalities could in fact use this money to take over the enterprise regions.

And so I found that interesting because of what you said. It's unconditional, and yet the government seems to have some ideas of what they can do. Did you share that, or has that come up in conversations with SUMA, that they in fact would like to ask the government for direction on how to spend that money, that they in fact don't have any ideas of how to spend that money and they were looking to the province for some suggestions?

Hon. Mr. Hickie: — No. In fact one premise of the decision, regional economic development authorities in some communities are fully funded by those communities. We hear of Weyburn for instance, which never really utilized an enterprise region model. They went and had their own REDA. Others can do that. And we believe that the local governments, municipalities know what's best for them when it comes to economic development.

Enterprise regions, and again I would defer that you should be talking to the Minister of Enterprise when he presents his estimate on this for more of a detailed response. I am sure he has one for you. But I can tell you that when this decision was made, the overall economic development that this province is seeing falls, we believe now, within the purview of municipalities. They can do that function. Most of them have

economic development officers. This in fact may be a duplication of services. Maybe it's not. But in my opinion, for Prince Albert, we have an economic development officer. The enterprise region had an office in Prince Albert. But the overall issue of regional economic development within the purview of municipalities, working in partnership with other municipalities for sure, I would think, is one whereby they know what's best for them.

They also have tax tools that they can use to attract business as well — tax deferrals and such and abatements, exemptions. So they have tools at their disposal to actually attract business. And that's why the decision was to . . . When we look at the concept of increased revenue sharing, it's unconditional. If a municipality wishes to use that money to pay for regional economic development and hire more staff, so be it. If they wish to use it for service delivery and other mechanisms and other models, so be it. If they care to put it to infrastructure, so be it. If they care to put it towards lowering taxes or keeping mill rates low, so be it.

They know what's best for their particular municipal areas and their municipal people, their ratepayers. They're accountable to them as well as we are to the provincial public when it comes to this PST being given out as revenue sharing. We say unconditional, but the municipal sector realizes they have a responsibility to their ratepayers as well. So we don't dictate where it goes. If they so choose, and we believe economic development is best handled at the local municipal level, the money could be used for that, if they so wished to. But they have various tax tools, and as far as I know, economic development officers are already in place across this province and work very hard to attract that particular revenue stream to them as well. So if they so chose to use that increase in revenue sharing, they could.

Mr. Forbes: — That minister was involving Municipal Affairs by saying these are the new monies that are going, and they have more resources, and clearly making a suggestion. And I just thought it was interesting because this is money that flows through your ministry. And whether he was getting some information that actually SUMA was asking for this to be, given that responsibility to the municipalities, because it has been raised, and you raised your own Prince Albert as an example. But Prince Albert also operates . . . the enterprise region operated as a region. Some can afford, the city may be able to afford its own economic officer, but whether the outlying municipalities could is another question. We've heard the same question in Kindersley where, you know, the point is that they won't be able to continue. This is just something they've decided that they'll have to let go. And we've heard different stories of how it will be handled differently throughout the province.

And this is a big issue because it's one of those issues as we've been able to promote the province, both as we understand the province will now be doing more internationally and nationally. But vacating the field internally, we know that there may be lost opportunities. So my question is really, how will the ministry respond to that because it's really leaving that field? But the implication was clear that the municipalities are getting more, lots of money.

[20:45]

Hon. Mr. Hickie: — Good points. Absolutely good points. A bit of a history lesson: of course one will always look back to, before we formed government, the '07 budget that was laid down had \$127 million in revenue sharing across the province. Since we've formed government, there's been \$110 million increase to that particular revenue-sharing pool to 237 now. It'll increase again next year.

So by providing those economic supports for the municipal sectors, there is an expectation through unconditional funding that we have increased the capacity for them to use that money as they see fit. One of the expectations is that, with this budget and the spending efficiencies that we do have, is that the general consensus is that the enterprise region dissolutionment, reducing those down, still providing some transitional funding, I understand, when there's projects in place, we still believe as a government that those best settled, or who can handle regional economic development, are the municipalities.

And through what I would categorize as a very massive increase in revenue sharing based on great consultation with the stakeholders — to their benefit of course, which we will continue to do — they've seen an increase across the board. And I look to your city alone, Saskatoon, 137 per cent increase. And Mayor Atchison is very thankful and very happy to have that money to use and play around with as he wants within his budgeting process. But other cities who wish to not pursue economic development through their own hiring of staff, it's their decision, their autonomous governance model, that choose to do this or not. Some of the municipal sector are telling us they didn't use the enterprise region. Weyburn didn't; they used their own REDA still.

We encourage regional partnerships, to be sure, through Municipal Affairs. I believe that same model would be looked at on regional economic development as well. And it's a model that works, has worked in the past. We believe it will work in the future using the same model.

Mr. Forbes: — But you know, as you're probably aware in the email that came out for SUMA — and it was very positive in many parts about the budget — but they talk about provincial infrastructure investment lacking in this year's budget. It talks about how they advocated for a temporary funding program in the amount of 200 million to be included in this year's budget, but that's not the case. And maybe we'll get time to talk more about that.

But I did want to get one question in that this government seems . . . You know one of the things that they didn't campaign on was the fact of three new MLAs [Member of the Legislative Assembly], three new politicians and the cost that that will bring. Now last year, when I was reviewing the estimates here, we had quite a discussion around photo ID [identification] and who asked for that and who didn't ask for that. Is it the plan of Municipal Affairs to increase or recommend to different cities that they increase the number of city councillors they have because of their growth in population? And is it also the case that, are you considering changes to how wards are decided based on the population, excluding anyone younger than 18 to follow your provincial

model?

Hon. Mr. Hickie: — I want to start off with where you started your particular line here about revenue sharing and what we've done for the province for the different sectors, SUMA and such. You know, you bring up infrastructure — which I think is a forgotten point on the opposition when they raise questions as you have and you are tonight — that across government, various ministries we provide somewhere in the tune of, it's north of \$600 million to help fund through various ministry initiatives partnering with the municipal sector and the federal government to provide services to the municipal sector and the partners SUMA and SARM alike. The North as well. So your premise is false. There's no infrastructure dollars there.

There is a flow of infrastructure dollars in this budget as well through federal-provincial agreements, right? Now knowing full well that these particular programs are winding down, I attended with my counterparts from across Canada in Gatineau, Quebec, a short while ago, after SUMA, an emergency meeting that we asked for to ensure that the ministry, the federal minister would not be looking at cutting back their obligations to the current infrastructure programs that they're obligated to — contractually obligated to, I might add. We were assured at that meeting that no, that will not happen in this year's budget, and we saw that the budget came down last week with no cut backs in infrastructure federally. So we can still have that predictable model moving forward and flowing funds through.

In some cases there are some major infrastructure projects in this province that'll receive funding to 2016. Municipal Affairs will be looking at negotiations at the PT [provincial-territorial] level with the federal government for a new tranche of programs. We're hopeful. We're very hopeful that by the '15-16 budget cycle from the federal government as we've been informed through a balanced budget — and we respect that, that the federal government comes through with balanced budgets, as we have in this province— they will hopefully, by being fiscal through fiscal probity and prudent spenders within the next couple of years in managing their fiscal house, that we will see the opportunity for additional monies coming for infrastructure.

Now moving on. What we've done as a province through the municipal economic enhancement program, we've provided \$100 million per capita as a booster shot to the municipal sector to be used as they see fit with a very minimal reporting requirement, just that how that money was spent. And it was used across the province to the point where they, very well, they for sure would like to see another booster shot like that. What we've worked on over the last couple of years with the sectors is a ... What we're looking to provide is a made-in-Saskatchewan infrastructure plan.

So on that point, we want to work with the sectors we have already. The third RFP [request for proposal] has gone out to work on ... We've identified the deficit in municipal governance and municipal infrastructure, along those lines. We looked at financing models and how has that impacted the opportunity to borrow money or to fund projects in the future. We'll be coming forth with a plan with the Saskatchewan Municipal Board as well. The third part of this is the issue of actually managing the whole expectation of what gets repaired

when and programming as such how it'll be utilized. And we're working with the sector right now to develop that kind of a model coming forward.

So again the premise that we've not done anything with municipal sector infrastructure is ... [inaudible] ... And respectfully so to the sector, they're working with us to develop these plans. They want to see a different program. They want to see new infrastructure dollars but, to be honest, everyone is obligated — federal, provincial, municipal sectors to the current programs that are out there right now. Municipal partners understand that, although they assume that organization would like to see additional money for sure. We will have, at some point a made-in-Saskatchewan infrastructure plan because again a balanced budgeting provincially, fiscal prudence, and how we spend the taxpayers' dollars today will benefit us down the road to help implement a plan, we believe, for infrastructure needs in this province.

The second part of your question talks about the need for photo ID. You related to that last year, how it's been. It's been very successful, I might add ... [inaudible interjection] ... Well you mentioned it, so I'll talk about it. And then you talked about the issue of wards, and you talked about what's going to happen in restructuring. We never campaigned on more MLAs. We never talked about that. And we never talked about that, but when we look at what's happening in this province, now there's going to be the chance of electoral boundaries as such being restructured and the need for more MLAs, three more MLAs.

Bringing it down to the municipal level, we recognize that they, the municipal leaders, have an obligation to decide, as we saw recently, to actually look at readjusting the boundaries of their wards because of increased population. For the first time in years, they're seeing these opportunities where they have to look at their population growth. And their communities are getting larger, so they will review their electoral boundaries locally and decide if they wish to change their wards.

I would have to say that I have never been asked by anybody about additional councillors in a city yet. But I would have to think that if they were to come to us with a suggestion that they need more, that's up to them to do it because they recognize what's best for their community based on the local governance. So we'll just leave it at that for now.

Mr. Forbes: — Two points. I know the city of Saskatoon had to redraw its boundaries, and it was caught in a bit of a time crunch because of it happening so quickly prior to this election in the fall. But I guess my question would have been, you addressed the issue around the increase in number of councillors, but have you or are you contemplating changing the way you calculate the number of people within a ward?

Hon. Mr. Hickie: — That's a great question. I'm going to let John Edwards discuss that with you because it's part of the legislative review.

Mr. Edwards: — John Edwards. At this point in time, we have no plans to make a change in that regard. Again, if the municipalities came to us and asked for consideration to be given, I guess we would look at it. But it's not something that's been raised with us.

Mr. Forbes: — Thank you. And then just to get back, we were weaving a couple of things in here about the . . . I'm reading actually from a SUMA email from last week, so it's not something that I'm, it's not coming from me. But they talk about the issue around infrastructure and how they're disappointed in this. And they were advocating, it sounds like that they're working on a program, that's what you alluded to, that there may be something, but they wanted something in between and that they were disappointed in not getting that. And so my question is, why couldn't you have something? Because for some . . . You know, I know in Saskatoon you allude to how the mayor's quite happy, but I think if we were to have a real good sit-down with the mayor he'd say, but there's this and that and this that he would like to see addressed. And I think that's the same with many municipalities, and infrastructure is one that is an issue right across Canada. It's not only here in Saskatchewan.

And so my question is . . . So, what you delay, you will have to make up. And that's what they're trying to say, some orderly planning, orderly work in terms of the infrastructure issue. So again, why not? Why wasn't there this in the budget? And will you, when you do come to an agreement, will there be more money because of the missed years?

Hon. Mr. Hickie: — Thank you for the question. Well I will tell, for the record, I will tell the member and I will tell the members of the committee that this year alone we're just shy of \$111 million for infrastructure funding. That is not small change. That's an obligation that this government takes very seriously, that we recognize the need as they came to us with their needs, and the federal government met us on this issue of money for infrastructure programs. We came there with matching dollars. We actually front-loaded money to the tune of just over \$77 million to get the money out to the communities back in '09-10, I believe it was, to accelerate that process because they needed the money and they needed to get the job done. They had very ambitious goals. So we're still committed to other parts of this program through almost \$111 million this year.

Now before I pass it off to Keith to talk about the process we just engaged with and where it's still going, we have an obligation and we will fulfill the obligations moving forward with infrastructure to the communities. Revenue sharing is also there for the communities, that's predictable — as I've already said, 50 per cent next year. We have obligations to programs.

I have talked to your mayor. Mayor Atchison's a very, very smart man. He's very in tune what Saskatoon needs. I have to agree with you, he does have other wishes. But he also understands, he recognizes there's a means that he can take some ownership on his own and they can actually work at different models to fund certain things. So on that, Keith, you want to finish up the talk about the long-term infrastructure plan?

Mr. Comstock: — Thank you, Minister. It's Keith Comstock. The development of a made-in-Saskatchewan, as the minister phrased it, a long-term approach to municipal infrastructure is a really important goal for our ministry and for the sector as well. When we finished our work with the sector in designing the municipal revenue-sharing program, we had agreed with the

sector that the next big problem that we would tackle jointly was the issue of municipal infrastructure. And of course, money is part of the solution — I think everybody recognizes that — but it's not the only part of the solution.

When we entered into this process with the sector, we designed a process that will have us look at a number of elements that will hopefully work together to help avoid the sort of situation that has been happening right round the world in terms of deteriorating infrastructure. So for example, while money is part of the problem, yes, but so is asset management. We believe that, as does the municipal sector, a rigorous application of good asset management principles can both extend the life of the assets we have and to make sure that the investments that they make in the refurbishment and maintenance on those assets is made in a timely and in a most effective way.

Another aspect of this new way of approaching things is the issue of how we finance and fund infrastructure. Traditionally we've been quite narrow. In fact across Canada we've been quite narrow in our suite of approaches to this sort of thing. So we have spent some time, as a part of this project, looking at alternative financing strategies, whether it be P3 [public-private partnership] or whether it's infrastructure banks or bonds or greater involvement with the private sector. There are a myriad of different approaches that will come into the analysis at the end of this project, and we'll make some recommendations to the province and to the municipal sector about what might work best in Saskatchewan.

[21:00]

We also believe that regional planning and regional approaches is also a very important component of making the most wise and strategic investment in terms of infrastructure. Even when you look at the issue of P3 projects, lots of people say that the P3 approach won't work in Saskatchewan because we don't have projects that are big enough. Well we might not have one project in one place that's big enough, but for example, on a water treatment plant, we have multiple communities that are looking for that sort of thing. We might not . . . P3 might not work for one \$8 million project, but it will certainly work for eight, and there's no reason why we can't bundle those projects and take a different approach.

So the point I'm trying to make here is that the notion of a long-term approach to this is more than just money, and the sector recognizes that, as do we. Our intention at the end of this is to be able to provide both the elected at the municipal and at the provincial level with a series of options and a series of recommendations that then they can mix and match and pick and choose that will combine hopefully some new money down the road in co-operation with the federal government — it's absolutely critical that all three levels of government be involved — but also bring into the mix these other sorts of techniques: financing, regional approaches, good asset management techniques, and those sorts of things, so that we have a stronger chance of dealing with the program over the longer term.

Mr. Forbes: — Okay.

The Chair: — I have to inform you that our allotted time for

this session has come to a conclusion. This committee will recess for five minutes in order to get ready for considerations for the estimates of the Minister of Corrections, Public Safety and Policing. We'll be back in five minutes. Thank you.

Mr. Forbes: — If I could just thank the officials for their answers. It's been most helpful in understanding the budget. So thank you very much. Thank you.

[The committee recessed for a period of time.]

**General Revenue Fund
Corrections, Public Safety and Policing
Vote 73**

Subvote (CP01)

The Chair: — Well welcome back to the Standing Committee on Intergovernmental Affairs and Justice. We're here to consider the estimates of the Ministry of Corrections, Public Safety and Policing. Welcome, Minister Huyghebaert. I'll ask you to introduce your officials, please.

Hon. Mr. Huyghebaert: — Well thank you, Mr. Chair, and I'm pleased to be here to give some highlights, provide some highlights of our '12-13 financial plan and to answer some questions. First off, to introduce my officials. On my right is Al Hilton who's the deputy minister; to my left is Karen Lautsch who's the assistant deputy minister, corporate services — I have to keep looking those up — and Margaret Anderson, executive director of corporate services is sitting at the table behind me on the left. Cam Swan is general manager of the PDAP [provincial disaster assistance program] system.

Bob Kary is our executive director, young offenders. Tammy Kirkland is sitting back at the back, and Tammy is the assistant deputy minister of adult corrections. Murray Sawatsky is at the back, executive director of policing and community safety. And back in the corner is Drew Wilby who is my chief of staff.

So, Mr. Chair, I'll be speaking to several pieces of this CPSP [Corrections, Public Safety and Policing] financial plan for this fiscal year. To set the context, I'll note that CPSP received an increase to our expense budget of 7.354 million, bringing it to 374.731 million, which represents a 2 per cent increase.

CPSP will see no layoffs resulting from the '12-13 budget but will see a small overall FTE reduction of 6.4 FTEs. Again this year, significant support to policing services will be required. Details are: 1.227 million to support the province's serious violent offender initiative. And this initiative targets serious violent offenders with closer community supervision from Corrections, Justice, and police. To provide the on-ground component, eight new probation staff will be hired and three new RCMP [Royal Canadian Mounted Police] officers, and one new municipal police position will be funded. Additionally a clinical director will be hired to work directly with police to help them understand the criminogenic behaviour demonstrated by serious violent offenders.

\$450,000 has been allocated to building partnerships to reduce crime, specifically to continue the success of the Prince Albert hub initiative, and to help other communities mobilize their

own community resources to reduce crime. As well 100,000 is being provided to the Saskatchewan Police Commission to build its capacity to fulfill its legislated responsibility.

Another 1.109 million goes toward the annualization of 30 police officer positions approved in the last fiscal year. This breaks down to five municipal police officers and 25 RCMP provincial police service officer positions for which funding started on July 1, 2011.

You may recall that the community of Meadow Lake has been facing policing pressures because of its growth in population and high crime severity. To help relieve this pressure, Meadow Lake will receive 700,000 from CPSP.

9.623 million has been provided specific to the first year of the province's new 20-year agreement with the federal agreement for RCMP services. This first year funding for the agreement, which commenced April 1st, just a couple of days ago, is for items such as salary increases, general operating and maintenance costs, equipment, and accommodation upgrades.

Other notable program and service funding increases include 2 million to address custody growth in adult corrections and a 1.6 per cent increase in funding with CBOs [community-based organization] delivering services on behalf of the ministry.

The 2012-13 budget also contains 16.95 million for CPSP capital projects including the much-needed expansion of cell space at the Prince Albert Correctional Centre for men, and the Pine Grove Correctional Centre for women, also in Prince Albert. You will recall that the sod was turned last summer on the two-year project to construct a 30-cell living unit, including a medical unit and video court, at Pine Grove; 9.6 million was allocated out of this year's budget to complete the project. Pine Grove is the only provincial correctional centre for women, and it's critically overcrowded. As of the end of February this year, its average daily count was 117 in a facility currently containing 63 cells. The new living unit can be double bunked to hold 60 female offenders if required.

The ministry will also be breaking ground on a new 72-cell secure living unit at the Prince Albert Provincial Correctional Centre for men this year. The three-year capital project is estimated at 24 million, with 3 million allocated in year 1. Here the facility's single-cell capacity is 154 inmates, but to the end of February it's been averaging 323 inmates.

In both cases, additional cell space will help alleviate the overcrowding that has the potential to compromise the safety and security of the facilities. This is a situation that's been experienced across the system, and corrections staff continue to be challenged to safely accommodate inmates by converting program space into makeshift dorms.

[21:15]

Other capital funding includes 400,000 for long-term planning for young offenders facilities across the province; 2.3 million to continue the criminal justice information management system or CJIMS; the project to modernize and consolidate the legacy computer systems used by the Ministry of Justice and Attorney General's court services and CPSP's young offenders and adult

corrections operations to maintain offender information. Another 250,000 was allocated to the staff workforce scheduling project now being piloted at the Regina Provincial Correctional Centre as a way to increase efficiencies through automated processes for shift scheduling.

And, Mr. Chair, those are the highlights from our 2012-13 financial plan. And we are ready for any questions.

The Chair: — Thank you, Mr. Minister. Thank you and welcome to your officials. And I would just ask the officials, when you're answering questions, if you'd just state your name for *Hansard* records. We will go to questioning now.

Mr. McCall: — Thank you. Waiting for the light to go. The story of my life. Thank you very much, Mr. Chair. Thank you, Minister, officials. Welcome to the considerations of the estimates for your department.

Just by way of explanation off the top, I'll be asking some general, global-type questions, and I believe then we'll move into a bit more of a focus on corrections activities within the department, the important activities under the policing and public safety responsibilities of the department. Please don't feel like we're leaving those out if we don't get to them by the end of tonight's consideration. We'll get them certainly next time, and I count on the fact that they're dealt with somewhat in the globals.

But I guess first off going through the global presentation with the vote for supply, I guess if you could, under the adult corrections expenditure, it's an increase from 101.5 million to 104.8. What does that involve, Mr. Minister?

Hon. Mr. Huyghebaert: — Well thank you for the question. Correct. The adult corrections has increased by 3.279 million from 104.837, from the 101.558 in '11-12. The increase of 3.28 million includes 2 million to address custody growth, and I think you're familiar with the problems we've been addressing with custody count and growth. So there's 2 million to address the growth; 856,000 in salary adjustments; 627,000 and eight FTEs to support reducing of violence initiative; 179,000 for the annualization of the C to C program, the courage to change program; 140,000 to annualize video court program; 29,000 for a 1.6 per cent increase of last year's budget amount for CBOs.

Mr. McCall: — Thanks to the minister for the response. Within the subvote (CP04), adult corrections facilities, the increase is from again 84 to 85.9. What is the allocation of that within the province? Again I'm presuming that that goes to the existing correctional centres, but if the minister could characterize that expenditure for the committee.

Hon. Mr. Huyghebaert: — I'm gathering, Mr. McCall, from your question, the breakdown of where that money is going. If that's correct, your question, Regina Provincial Correctional Centre estimated 2012-13, 25.301. That's breakdown of the budget by facility. Is that what you wanted? So it's 159,000 difference. Saskatoon provincial centre, 186,000; the PACC [Prince Albert Correctional Centre], 158,000; the Pine Grove is 86,000; Battlefords Correctional Centre is 10; Buffalo Narrows, 9; Besnard, 8. That's basically the breakdown for where the extra money is going.

Mr. McCall: — So the various increases in expenditure, what does that go to, Mr. Minister?

Hon. Mr. Huyghebaert: — What?

Mr. McCall: — The increased expenditure, the increased expenditure, what do those dollars go to, so in the case of Regina Correctional, for example?

Hon. Mr. Huyghebaert: — The figures that I gave you are the breakdown of the facilities. The total change is \$1.785 million for adult corrections. I wasn't getting what you really wanted, a breakdown by each facility. That's the numbers I gave you previously, of which the total was 1.785 million.

Mr. McCall: — Again, does that go to address wage pressures or dollars involved in retooling existing space to help out with bunking? How does the minister characterize the reason for that increase in expenditure?

Hon. Mr. Huyghebaert: — I think I gave you most of that. There's custody growth, salary, annualization of the C to C, annualization of video courts, CBOs. And that was the main . . .

Mr. McCall: — Well I guess we can go at it like that. What is the average daily count right now in the total correctional system?

Hon. Mr. Huyghebaert: — In secure or total?

Mr. McCall: — Secure and total, however the minister cares to characterize it. But there are of course various ways to slice that, but feel free to answer.

Hon. Mr. Huyghebaert: — Yes, it's about 14 something . . . Yes, 1,590 is open and closed custody, is the average this year.

Mr. McCall: — What's the breakdown between open and closed, Mr. Minister?

Hon. Mr. Huyghebaert: — It's about 14 something. I'll have to get you an exact number of secure.

Mr. McCall: — Over the past number of years, what does that represent? What kind of growth factor has the ministry been working with in terms of the average annual account?

Hon. Mr. Huyghebaert: — It's been in the neighbourhood of 4 per cent per year growth.

Mr. McCall: — Since when, Mr. Minister?

Hon. Mr. Huyghebaert: — Since my three years.

Mr. McCall: — So I guess we can . . . We'll maybe address this right now and then get back into the broader sort of questions. But something we have a hard time understanding in the official opposition is what sort of planning is being done on the part of the ministry and on the part of the government as relates to the question of Bill C-10, the federal Conservative crime Bill. We don't understand how there isn't . . . Well I guess, could the minister describe for the committee how this budget anticipates the impact of Bill C-10, that is now the law

of the land, and how that will impact things like the average daily count in the Saskatchewan correctional system.

Hon. Mr. Huyghebaert: — As you will know, Bill C-10 has not been proclaimed as yet. We have no idea when Bill C-10 will be proclaimed. There is discussion, and not with us, but there's been discussion at the federal level about implementing Bill C-10 on a schedule basis rather than all of Bill C-10 at once. So we don't know what the impact of Bill C-10 is going to be. And I know the Minister of Justice answers the questions in the House because we do not know how the judges are going to be treating inmates once you lose the conditional sentence. So we have no idea what the judges will do with the sentencing of these individuals, whether it be probation or custody. So it's very speculative for anybody to say what the impact is going to be.

The work that has been done is, we have determined some cost estimates based on some projected numbers. And by projected numbers, we have no idea. But just to do a cost analysis starting somewhere, for an example, and I'll just give you for an example — we don't know what the figures are going to be — but if we experience 100 inmates because of Bill C-10, it would cost about \$6 million. So you can break it out from that, if we got 10 new inmates or 200. So that's what the ministry has done and broke it down into a cost factor of how much we figure it'd cost per inmate.

Now in relation to that . . . And I know I've answered many, many questions on the impact it would have within our facilities, and that's why we're expanding facilities. As you are well aware of, there's been no expansion of the facilities since the mid-'80s. And the first expansion was in 2009 when we opened the 90-bed facility in Saskatoon. It's a dormitory style, but it was quicker to build, and we could get it done quicker.

That's why I'm very happy to see in our budget now the Pine Grove facility, which the budget is there to complete it this year, and the new 72-cell facility which we could house 144 inmates that double bunk in the new Prince Albert facility. It's going to take, that project would be estimated to be three years to completion. Again with C-10, not knowing what Bill C-10 will actually mean — and I don't think anybody can give an accurate prediction to that — my feeling is that before we feel the effects of C-10 it could also be three years. You might feel a dribble before that.

But so looking at what our overcrowding situation is that we're experiencing now and have been, with the additional 90 beds in Saskatoon, the additional 144 beds that we can have in P.A. [Prince Albert], and then the women's facility — as you know, it's the only women's facility in the province — and by adding 30 cells which is 60 beds . . . If the outcome of Bill C-10 is going to be an additional X number, and you could pick a number, the growth that we've made in our beds is going to soften that.

I guess what I'm trying to explain is that even with C-10, we wouldn't be any worse off than we are today if it takes three years for C-10 to have the effect, and depends on how many it is. So we're adding these beds. And what would happen is we'd go back to maybe the crowding situation we are today until more facilities could be built. So it's a long, it's a ways out

because again we don't know when C-10 is going to be proclaimed.

[21:30]

Mr. McCall: — A number of questions occur, Mr. Minister. I guess first to really establish what the landscape is, again the total count and the average daily count in the Saskatchewan correctional system right now is at 1,590 as you've related to the committee. Is that correct?

Hon. Mr. Huyghebaert: — It's closed and open.

Mr. McCall: — That's closed and open.

Hon. Mr. Huyghebaert: — Fourteen hundred in secure.

Mr. McCall: — Okay. So well let's take secure for example. How many cells or how many beds within the secure system is the system designed for right now? So you know, ruling out the use of double bunk, you know, bunking people dormitory style in the gym or in the shops or in classrooms, what is the system designed for right now in terms of secure spaces?

Hon. Mr. Huyghebaert: — The designed cells for men, 754. For women it was 63, for a total of 817. Doubled of course that's 1,050.

Mr. McCall: — So one more time, sort of, if you think of these things as purposeful, the designed sort of space capacity within the system right now, you're characterizing that as 1,050. Is that correct?

Hon. Mr. Huyghebaert: — Yes, the cells.

Mr. McCall: — Okay. So with that being the . . . And again I recognize that double bunking is not a new feature to this government, and I wouldn't proclaim otherwise. But double bunking or, you know, repurposing of space or anything like that, I guess my question to the minister is this. Given a system which the designed capacity sits at 1,050 and at which the average daily count is at 1,400 and you've got . . . And again we'll get into the debate around Bill C-10 and what you can project and what you can't. But obviously there's some pretty severe stresses on the system as it stands already.

And again I appreciate that there are expenditures being made by this government to expand the designed cell feature of the system, but you've already got a system that's got some pretty significant strain on it. Does it not cause you great concern around bringing in Bill C-10 and what may or may not happen there?

Hon. Mr. Huyghebaert: — Well my concern, my concern is very real, and the concern didn't start yesterday or in 2007. That concern should have started probably 20 years ago because overcrowding didn't start in the last four years or five years. Overcrowding has been there for a very extended period of time, and I'm sure you're well aware of that. So it's not like it's a brand new phenomenon that's just jumped out at us.

In addition to the 1,050 cells we have, that's one of the reasons we went to the dormitory system. And you'd be familiar that in

a dormitory-type system you can't really place high-risk offenders in the dormitory-type system. But your lesser offenders or offenders that are more workable within the correction system can be placed in a dormitory-type system of lower security risk factor.

Yes, overcrowding has been a huge challenge. Program space, and probably back when you were minister you were using program space to house inmates. Again you have to look at who you can put into these spaces. And it's usually the lower risk because once you start dealing in programming space and putting multiple people into a smaller area, you really can't have your high-risk offenders.

And that's why when we talk about doubling cells, as you well know, you can't just say we're going to double all cells because you've got high-risk offenders that really have to be segregated. And so that's why some of the counts are different by straight addition and multiplication. You just can't do that because you do have to have some cells that are for one person only. And that's why we addressed the situation with the 90-bed dorm, which is again an addition to this 1,050 of the cells, because we could do that a lot quicker and get it up and running.

Bill C-10, if you want to keep relating back to Bill C-10, we don't know where that's going. But I know where we are at. I know the overcrowding that exists today. I know we are making strides to improve that by the 90-bed, by the 30-cell, and by the 72-cell. So we are addressing it. Can we use more? For sure we can use more.

But as you well realize, the infrastructure dollars are in huge demand. You know, when I start dealing for infrastructure dollars with my colleagues, the priorities might not be the top one is in corrections facilities, or schools, hospitals, and highways. So I feel fortunate that we've got money for the 72, the 30. And the 90 is already complete, and that's been in the last four years.

Mr. McCall: — Again though, I sympathize with the kind of pressures that you've got to deal with in terms of the allocation of scarce resources and the way that that the kind of hard trade-off's you have to make in a budget finalization process.

But I guess the thing that strikes me about Bill C-10 and where we're going with that, the ministry still goes through a Treasury Board process, does it not? So the ministry makes a submission to Treasury Board. And as hard as it is to calculate these things, one thing about the Finance officials, they have a way of quantifying pretty much anything and everything. And last I knew, Mr. Minister, they weren't much in the business of accepting question marks. They needed hard projections.

So again the idea that there isn't . . . I guess if there's a plan that we haven't heard about to date, if the minister could share that with the committee in terms of what has been demanded of the ministry from, I'm sure, the Department of Finance and Treasury Board officials as relates to what this increase on the demands in the Ministry of Corrections, what that constitutes.

On budget day we had a technical briefing with the Finance officials and the deputy minister of Finance. In response to a question placed by myself about what the anticipated impact of

Bill C-10 would be, said that they thought that would add 200 to the average daily count in the system, moving it from 1,400 to 1,600. And again I appreciated that from the deputy minister of Finance even with all the, sort of, caveats that get put on these numbers. But that to me sounds like Finance doing its job.

Again one of the features of Bill C-10 . . . And I'm not a lawyer. And I'm not in the, you know, I defer to my colleague in that regard, nor will I slang lawyers. But one of the things about Bill C-10 is its increased use of mandatory minimums and taking the, sort of, guesswork out of what happens when you get X number of charges and how that relates into the caseload on the system.

So in one way . . . And again there are things in that Bill that I agree with. There are things in that Bill that I think are bad public policy. But one of the things that it would seem to result in is greater certainty around what happens if you've got X number of charges and how that impacts the system.

So again what was the submission on the part of the Ministry of Corrections to Treasury Board and in the budget finalization process? Was the 200, was that a figure that the ministry agreed with in terms of the increase to the average daily count?

Hon. Mr. Huyghebaert: — No, it was not. Where that figure came from, I really don't know if . . . I understood that Finance briefed . . . It was 200. They suggested or somebody suggested it came from the ministry. My understanding, it was the ministry that said, when we look at the overcrowding situation, that was the numbers that were included in it. So the impact of Bill C-10, as I've said, nobody really knows the impact of Bill C-10.

And so where that number would have come from, I don't know. My submission to Treasury Board is with our proposals for facilities, not specifically related to anything other than our current situation, and that's been my position to Treasury Board. Where that number came from, I don't know. I explained to the media. They had indicated to me that the number came from the ministry. And I said if it is, it probably related to numbers that we were experiencing overcrowding now because that's what I'm dealing with is the situation now.

And again with C-10, and I do want to, for the record, I very much support Bill C-10. It keeps high-risk pedophiles off the street, for an example. The mandatory minimum sentencing, we don't know. Maybe they're going into federal institutions if it's mandatory minimums. We don't know that. And if anybody has the crystal ball, it would be very interesting to see it.

Again as I mentioned earlier, what are the judges going to do? If conditional sentences are going to . . . they're not going to use conditional sentences, are they going to use probation instead? And I don't know that, and you don't know that. So the outcomes of what the effects of Bill C-10 are going to be is really a guessing game right now until we actually see.

I know we spoke about, at one point, about the two-for-one which happened a while ago. And again there is an awful lot of push saying, boy, you're going to be overcrowded with the two-for-one. Well we didn't see that. We saw the normal type of increase. So here we had a big push from some people on the

two-for-one. Your facilities are going to be jam-packed. It's going to be so overcrowded because this government, the feds, is going to take away the two-for-one credit. In fact we've not seen much difference in our facilities. There may be some growth, but not what was anticipated.

So I would be the last person that would sit here and tell you what I think Bill C-10 is going to do to us because I don't know. I don't know what the judges are going to do. I don't know when it's going to be implemented. I don't know how it's going to be phased in. I do know that I agree with keeping some of these high-risk offenders off the street. That I agree with.

Now if you're keeping them off the street with mandatory minimums and they go into federal systems, not ours, then it's not going to have an effect on us. And this is going to be up to the courts. And so I can't give you an answer of how you can even project that. What I gave you was the projection of the if — if we get so many more, it's going to cost us this amount of money. That's about the only projection we could do because we don't know. If we get, like I said, if we get 10, we know what it costs per inmate.

Mr. McCall: — I thank the minister for the answer. And again one of the frustrations we have on the part of the opposition in trying to hold yourself and the government to account and to make sure that we're getting a straight answer on the expenditure of public dollars, the answer that we've gotten on this question has changed. There's been a movement from, you know, it's impossible to tell, no, we didn't use any ballparks to, you know, again a situation that I find hard to believe where the top financial official in the province of Saskatchewan had the Minister of Justice talking about how she'd apparently pulled numbers out of thin air. And again yourself here tonight saying, you know, you don't know where she got that number. We find that hard to believe.

[21:45]

Hon. Mr. Huyghebaert: — Well I guess you could pick a number out of the hat right now and say . . . [inaudible] . . . I cannot tell you a number because I do not know what it's going to be. And I don't think there's anybody in this province that can tell you what that number's going to be. So if somebody picks a number and it gets published and you use that as fact, I don't know where they're getting it from and what their analysis is.

Mr. McCall: — So one of the suppositions the minister had provided earlier, and which we understand was part of what the Minister of Justice had to say today after the question period in the rotunda, was that the 200 figure might possibly relate to the normal rate of growth within the average daily counts. Now you've already characterized that growth in count at 4 per cent. Is that not the case?

Hon. Mr. Huyghebaert: — That's the history of it in the last . . . since I've been here, has been 4 per cent.

Mr. McCall: — So I guess, how does that add up to 200?

Hon. Mr. Huyghebaert: — Again you can add it up. I don't know. The 200 is, again I don't know how and what they dealt

with the 200 figure. Maybe it was our overcrowding situation right now. If you ask me how many people that I would deal with in overcrowding, that's why we're building a 144-bed facility because it's overcrowding. And so we want this 144-bed facility to alleviate that. Is that where the 200 number came from? I don't know. One hundred forty-four plus 4 per cent? I did not have the numbers, so I don't know how the math and how it was figured out.

I mean, you can quiz me on the 200 all you want, but I don't know who did the analysis on that and what the analysis was. And maybe Finance, if Finance gave you the figure, that would be the perfect person to ask is, where did that number and how did you arrive at that number? Because I don't know how they came to that number for the reasons that I've already given you.

How do we know what is going to happen? You can anticipate. You can guess. I like to deal more in some facts, and the facts are we're overcrowded. The fact is we're dealing with it.

Mr. McCall: — Well I guess we share the attraction to the facts, Mr. Minister, and that's again why we have a hard time believing some of the answers that come forward on this front. And again if there was sort of unity across the government on the communications, maybe that would be plausible.

But the fact remains that the question was asked in a technical briefing. That briefing is as authoritative as any of the paper that is put out by the government. It has a lot to do with the credibility of the government in terms of putting forward a budget that's worth the paper it's written on. And again, and we'll certainly be following this question up with the deputy minister of Finance or with the Ministry of Finance, but given that this is so central to the responsibilities of the corrections activity in the ministry, again we find it hard to believe that there isn't at least a planning number in place in terms of anticipated growth in the average daily count.

And again the idea gets thrown in that this is possibly related to the annual growth. As the minister has said, the annual growth is 4 per cent, and that's on an already overcrowded system. So from a public safety perspective and from a making sure that we have an effective, efficient corrections system perspective, we sit at this and say, you've got a system that's already got pretty severe stress on it.

And you take a piece of legislation that other jurisdictions are quite happy to make predictions about what's going to happen to their public dollar and that the parliamentary budget officer was, you know, quite well equipped to make an estimate of what this would mean in terms of cost and to the various corrections systems throughout the country. And the deputy minister of Finance, who of course is the top Finance official in the province of Saskatchewan, she's able to supply a number that is used for planning purposes. So if all of those other entities can estimate what this means to corrections systems, how is it that the Corrections ministry in Saskatchewan is unable to do that?

Hon. Mr. Huyghebaert: — I don't know what they're using for criteria.

Mr. McCall: — Does the minister attend

federal-provincial-territorial meetings?

Hon. Mr. Huyghebaert: — Yes.

Mr. McCall: — Does the minister have any measure of contact with his federal-provincial-territorial colleagues?

Hon. Mr. Huyghebaert: — Yes.

Mr. McCall: — Then how is it that the minister doesn't know what they use for criteria?

Hon. Mr. Huyghebaert: — Well because what you have just indicated to me is you got your information from the Minister of Finance or deputy minister of Finance. And the deputy minister of Finance, out of all my sittings with the federal-provincial-territorial public safety and corrections facility, the minister's not been there. So when we talk about Bill C-10, which we have in a couple of my meetings, and I've had a personal meeting with the federal minister, he couldn't even tell me what the outcome of Bill C-10 was going to be in terms of numbers.

But him and I both agreed the purpose of Bill C-10 is to keep some high-profile criminals off the street. And I don't know of anybody that has disagreed with that. How do you sit and justify sexual predators out on the street? That's the purpose of Bill C-10, as I've explained.

How do we know what the courts are going to do in the other? If you could sit there and tell me that the courts are going to 100 per cent eliminate conditional sentences and they're all going to go into jail and be incarcerated, that could be a criteria. There's not a person in this country that'll say that that's going to happen because how do we know what the courts are going to do? And the courts can authorize or the courts can actually put people on probation. Probation is different than conditional sentencing, and I'm sure you know that.

So what are the courts going to do? So how can a person sit and analyze what the outcome is going to be when we have no idea what the court system, how it's going to deal with this? So if you go out into the hallways tomorrow and somebody said to you that this is going to be X number of people's going to affect it, the question would be how do they analyze that number? I don't know how the deputy minister of Finance analyzed the number. The number has been thrown around and I do not have an idea of how that number came about. You can speculate. You can guess. I don't know, but I do know, I do know that what we're dealing with is the overcrowding that we have at the present time.

Mr. McCall: — And again, Mr. Minister, it surpasses understanding how it is that you would throw into question the work of the parliamentary budgetary officer, the work of several of your colleagues provincially, and the work of the deputy minister of Finance of the province of Saskatchewan. They've somehow all got it wrong when it comes to what you're saying is, you know, there's no way to know. Am I understanding that correctly?

Hon. Mr. Huyghebaert: — I would have to understand where you got your figures from from the other provinces of what

there is going to be because in any of my discussions on Bill C-10 with my counterparts — and it has been awhile since I've met with them; I'm meeting with them again not too long from now — they didn't really have an idea.

You read the speculation in the paper. Ontario says it's going to cost them \$1 billion or more. What did they use? I'm sure you believed that it's going to cost Ontario \$1 billion, but I don't know if you asked them what criteria they used and how it's going to cost them that. I have. I've asked people how do they come up with that number? And I get the same answer. They're speculating on what this Bill will do in the courts, and I'm sure we understand that how can you speculate what's going to happen in the courts?

Mr. McCall: — Has the minister prepared an analysis that contradicts what the deputy minister of Finance in the province of Saskatchewan had to say about what this will do to the average daily counts? And if so, would you table that with the committee? Would the minister care to table that with the committee?

Hon. Mr. Huyghebaert: — No, I've not done an analysis.

Mr. McCall: — Okay. So you're calling for analysis, but you haven't conducted an analysis yourself.

Hon. Mr. Huyghebaert: — I'm calling for an analysis? And your question was, have we done an analysis that contradicts the deputy minister? And the answer's no.

Mr. McCall: — And yet you feel pretty confident about saying that, you know, you don't know what she's talking about.

Hon. Mr. Huyghebaert: — That's not what I said. I don't know what criteria she used for her numbers.

Mr. McCall: — One of the ways that this possibly impacts the province of Saskatchewan, today in the media we've seen the people from Elizabeth Fry come forward saying that this is going to dramatically impact their services. Again the minister has said that there's no way to anticipate the impact of what Bill C-10 will be, but here you have a community-based organization that is saying that they're temporarily closing their doors as of the end of the month to regroup and to try and get a handle on where they go from here. What dollars does the ministry or the Government of Saskatchewan put into Elizabeth Fry?

Hon. Mr. Huyghebaert: — We don't put any money into them.

Mr. McCall: — So the dollars that come from the Government of Saskatchewan go from the Ministry of Justice. Is that correct?

Hon. Mr. Huyghebaert: — They do not come from CPSP.

Mr. McCall: — No dollars that flow from CPSP to Elizabeth Fry.

Hon. Mr. Huyghebaert: — That's correct.

Mr. McCall: — And yet they seem quite alarmed about the situation with Bill C-10 and where this is going to wind up and what it does to their operations. How does that impact the Ministry of Corrections in terms of the work that the Ministry of Corrections has to do?

Hon. Mr. Huyghebaert: — We've had no discussions with the Elizabeth Fry Society. In fact the first thing we heard about it was probably the same time as you did, by reading the paper this morning.

Mr. McCall: — How about the John Howard Society?

Hon. Mr. Huyghebaert: — We fund the John Howard to the tune of something less than \$1 million, but we have had no discussions with them on the effects of Bill C-10, what it would be to their organization.

Mr. McCall: — Have you had any discussions or done any planning with the various community-based organizations which the ministry partners with to deliver many of its services?

[22:00]

Hon. Mr. Huyghebaert: — The answer to your question is no, because most of our CBOs deal with young offenders, and, as you know, Bill C-10 does not deal with the young offenders. It deals with adult corrections.

Mr. McCall: — So you haven't discussed Bill C-10 with any of the community-based organizations with which the ministry partners.

Hon. Mr. Huyghebaert: — Not to my knowledge.

Mr. McCall: — I guess again, Mr. Minister, one of the things we find alarming about the sort of blank cheque that yourself and the Government of Saskatchewan seem to be writing the federal government on this is that you've already got a system that is overcrowded by the global numbers, and, you know, this would seem to be promising to make a tough situation all the worse. And one of the concerns we have about that is the way that it relates not just to inmate safety but the safety of corrections workers. How many critical incidents involving inmate on corrections worker violence have taken place in the last year?

Hon. Mr. Huyghebaert: — As the member probably is aware, when there's a critical incident involved, the report will come to the deputy minister and to myself, and neither one of us can recall when the last time we've received a critical incident from one of our institutions. And I would like to expand on that a little bit.

If you look at what we've done since we formed government within our corrections facilities . . . And this will explain maybe why we don't have the incidents that were maybe there before. I don't know. I wasn't the minister before. When you were minister, I don't know how often that they came forward. But if you look at what we've done within our institutions such as no-contact visiting, that has cut down, we estimate that has cut down the infiltration of banned substances into the facilities by somewhere in the neighbourhood of 60 per cent. The cameras

that we've put in the facilities has greatly reduced the incident rate within the facilities and has given the staff an awful lot more confidence within the facilities.

We brought in institutional clothing which was a very minor yet very effective method of reducing the illegal substance movement to the facilities. We have instituted video court which now an inmate can go in right within the facility to attend court. And we know, and I'm sure you know, that before when you had to take somebody out of an institution and go to court, it provided an avenue to access contraband and bring it back into the facility.

There has been an awful lot of improved training for staff in the facility for the corrections workers. That has been somewhat of a priority. We have direct supervision which was probably not heard of before. And direct supervision is staff that are in close contact with the inmates in some of the pods, and this gave a . . . and having visited these, this gives the feeling of better training and more self-policing, if you wish, of inmates because they like that little wee bit of extra freedom that they have, which is not being locked in their cell for an extended period in the day unless something has caused them to be locked down. But they have a fair bit of freedom within the pod. And if somebody is acting up at all, it's a little bit self-policed because the rest of the people in that pod do not want to lose the privileges of being able to have that little bit of extra freedom.

So all of those initiatives that we've done over the last three years or three and a half or four years has really reduced the number of incidents within the facilities that I've seen. I've seen . . . As I said for the serious ones, I've not seen one. I can't remember the last time I've seen a serious incident come forward to myself or the deputy. Is there minor ones? Possibly. But it has really made the staff, the security of the staff, they feel a lot more secure. I do get out. I do talk to them.

And there's I think a very, very good working relationship now between management and staff and even a working relationship, in a lot of cases, between staff and the inmates because of the direct supervision. And even in our dormitory units in Saskatoon, it seems like there's been a very good relationship in there between staff and inmates again because they don't want to lose that bit of freedom that they have and so they've been very, very co-operative. Does that mean there's not going to be? Probably not, because as you well know, there's gang issues within the facilities and that is a problem for the staff. It's segregating them into various gang units or ones that . . . I don't know if gangs get along. I don't know much about gangs. But I know it's an issue, when I visit there, that they have a problem with separating people that are compatible.

Another thing that I think has really helped within our institutions is our telephone monitoring system. Now that is there as a tool. It's well known to the inmates that their calls are being recorded and can be monitored. Not that they all are, but they can be. So I think that cuts down a huge amount of illegal activity that used to take place by telephone. And any time you're cutting down illegal activity within the institution, I think the institution has been just that much safer, and I think that's what the results we've seen is less incidents within the facilities.

Mr. McCall: — One of the ways, if this bears out, one of the things I'm interested in knowing is, how many grievances have been levelled by the representative body for the workers, the SGEU [Saskatchewan Government and General Employees' Union], over the past year?

Hon. Mr. Huyghebaert: — The way I understood your question, and that's maybe . . . and you maybe remember that's not . . . If you're talking about grievances, from the union to management, that's not the reporting system that's used. But I'll give you what we have. There are 312 grievances, 234 in adult corrections and the majority of those are payroll grievances. And I'm just brought up to speed on it, like grievances are brought forward from — whether you're union or not union — but out of that 234, and the most of them are payroll grievances, and in fact even that number is down from 360 in 2009.

Mr. McCall: — Is the minister willing to table the breakdown of the grievances and the various characterization of them? Would the minister care to table the breakdown of the grievances and their characteristics for the committee?

Hon. Mr. Huyghebaert: — Sure. This is just a briefing note, but we can get the grievances for you if you want the breakdown.

Mr. McCall: — Well thank you very much, Minister, absolutely. Another question I have, again related to the way overcrowding can evidence itself, sometimes this can . . . Has there been anything new develop in terms of health condition? There hasn't been anything like tuberculosis evidence itself or any sort of diseases like that associated with overcrowding, is that . . . Can the minister answer yes or no for the committee?

Hon. Mr. Huyghebaert: — We're just going to check it. There's none that I can think of in the past year.

Yes, we can't think of any that has been related at all to overcrowding, or I can't think of any specific case. There's the universal precautions that we use, and again with the staff training that we've had, I think, if there's something . . . If a person is ill, it's dealt with right away. But I can't think of any, I can't think of any illness that could be related.

I mean we've had somebody that's had heart conditions and have been taken to the hospital and treated or dealt with. And I think we even had one person not too long ago that got to the hospital and eventually died. But it had nothing related to any overcrowding or . . . It was just when your heart quits, your heart quits. And there's nothing else that I can think of that we've had that's happened in our facilities.

Mr. McCall: — Moving through the major adult correctional centres, I guess if you could, we'll start with the Regina Provincial Correctional Centre. How many units were designed specifically for holding inmates? What's the average daily count in that facility? And I guess if you could provide that, and then I have another follow-up question.

Perhaps a suggestion to speed up the proceedings, Mr. Minister, because we realize time is valuable, and it's ticking by fast. So perhaps if the minister could undertake for the committee to provide for each of the four major correctional centres —

Regina, P.A. [Prince Albert], Saskatoon, Pine Grove — what the design space capacity is of those facilities, what the average daily count has been for the past year, and as well if there's any . . . I know in different facilities there's shops that have been turned over into accommodation for inmates, classrooms, gymnasiums, if that could be denoted in the information as well. If the minister is agreeable to that, or we can take it through, you know, one by one. But in the interest of time if the minister would table that with the committee, that would be much appreciated.

[22:15]

Hon. Mr. Huyghebaert: — I don't have a problem with doing that, but I can give you the total bed capacity right now within the facilities: the RPCC [Regina Provincial Correctional Centre] is 580; SPCC [Saskatoon Provincial Correctional Centre] is 384; PGCC [Pine Grove Correctional Centre] is 120; and PACC [Prince Albert Correctional Centre] is 318.

What I was asking for, was taking some time, is the average daily counts. And I don't have the average daily, but I have the peak count at each centre. For the peak count . . . And that's not as you understand the peak count. It could be today and maybe not again for a period of time. And the peak count in each centre: the RPCC is 601, the highest; SPCC, 452; PGCC, 133; and PACC, 351. That's been peak.

So if you look at totals, the bed capacity of 1,402, and the peak has been 1,537, but the peak counts do not occur on the same day. So you have to take that into account also. So the total sum in the peak counts are not necessarily equal because the peak in one facility could be one day, and the peak in another facility could be at a totally different time.

Mr. McCall: — I guess a number of questions just to get on the records, Mr. Minister, programming in adult corrections, is the ministry still . . . and youth corrections. Is the ministry still funding all programs from last year? And if not, what has been cut?

Hon. Mr. Huyghebaert: — Yes, we're funding all the programs. Again it's a challenge for space, but we're funding all the programs.

Mr. McCall: — As relates specifically to anti-gang initiatives, what is the status of the different things, both within facility and working with community partners on anti-gang initiatives?

Hon. Mr. Huyghebaert: — We have received 500,000 in the '10-11 budget to develop anti-gang programming and support core business. We're in discussion with a number of community-based organizations in Regina, Saskatoon, and P.A. on how best to deliver the gang-related programming for high-risk individuals. There's two federally funded programs: warrior spirit walking and the Regina anti-gang, the RAGS [Regina anti-gang services]. In the 2011-12 funding, we did not approve the 2011-12 funding for RAGS because that was a federally funded program, RAGS here in Regina. But as far as the working with the community partners, we're still in discussions with even the federally funded ones. We're in discussion.

There's initiatives too and it deals with, well it ends up dealing with an anti-gang component, although maybe not directly as our Hub, the Hub system in Prince Albert. I know a lot of the stuff that they deal with there, the stuff being the crime or dealing with people before they get involved in crime, and I know I've sat through those briefings from the chief of police, and a lot of the crime is gang related. And so it's extracting people from gangs before they get totally involved. Or if they're involved in some way, and then the Hub system can actually work with them to extract them from a gang or . . . And it's quite comprehensive, and it's not specifically an anti-gang organization. It's a reduction-of-crime organization. But it does deal with all aspects of criminogenic factors, I guess you could say.

Mr. McCall: — We're quite interested to see how it works out with the work in P.A. and what it has to do with combatting crimogenic factors. But if the minister could, and go back to the decision around the Regina anti-gang strategy again, how has the relationship changed between the ministry and the Regina anti-gang strategy? Could the minister discuss that for the committee, please?

Hon. Mr. Huyghebaert: — Well I don't know what you mean by the relationship, because it was a federally funded program, was RAGS. And I know I visited RAGS, and it's an anti-gang strategy, so I totally support it. But it's federally funded, so my involvement, my direct involvement has been negligible other than to verbally support the program.

I know we had looked at the possibilities. There was a discussion about the federal government not funding the program and how it was going to be funded. And just recently, I just got a note from Tammy. We met with them last week and are working with them on their proposal now. So the feds are not funding them now, so they're putting a proposal to us. And that's like all other proposals: it'll be evaluated.

Mr. McCall: — What timeline is involved in the ministry's consideration of the proposal from RAGS?

Hon. Mr. Huyghebaert: — They're putting a proposal to us. So again I don't know what their timeline is to get the proposal to us, but once the proposal is to us, then we'll look at it and evaluate it.

Mr. McCall: — But again their funding is up as of the end of this fiscal, is that not correct?

Hon. Mr. Huyghebaert: — The federal funding I think is finished.

Mr. McCall: — Did the minister have a chance to provide supports to the Regina anti-gang strategy in communications with the federal government?

Hon. Mr. Huyghebaert: — I can't remember if I talked to the federal government personally on this or not. I've talked to the federal minister about a number of initiatives and I can't say that this one really popped out to say it's one that I've specifically talked to him about.

Mr. McCall: — Can the minister relate to the committee what

the dollar figure was for the annual funding for RAGS that has concluded with the federal government?

Hon. Mr. Huyghebaert: — I don't know what it was.

Mr. McCall: — You're sure you don't know what it was, Mr. Minister?

Hon. Mr. Huyghebaert: — No. I don't know what the funding, the federal funding was.

Mr. McCall: — Well I'm pretty sure it was somewhere of hundreds of thousands of dollars. And perhaps your ADM might have more information.

Hon. Mr. Huyghebaert: — Officials say that the federal funding was somewhere over \$1 million.

Mr. McCall: — So again, that was federal funding that was coming to the province of Saskatchewan to deal with what is obviously a pretty important concern in the province of Saskatchewan that is no longer coming to the province of Saskatchewan. Is that correct?

Hon. Mr. Huyghebaert: — Yes, that money never came to us at all. It was a directly funded, federal government to RAGS.

Mr. McCall: — Well again, Mr. Minister, I don't think I'm being tricky or sneaky or anything like that. Obviously there's federal dollars coming to address what is a provincial concern. There had been provincial dollars offered up at the start of the Regina anti-gang strategy, at its beginnings and obviously this was a . . . It's always good to see federal dollars expended on a provincial priority. This was upwards of \$1 million.

What action did the minister take to defend the continuance of that funding for a vital program in the province of Saskatchewan?

Hon. Mr. Huyghebaert: — The ministry . . . Again you asked me a specific question, what I did. And I did not . . . Like I say, I don't remember if I talked directly to Minister Toews about it or not. But our ministry officials had encouraged the federal government to continue the funding. That was last year. And again, how much stronger could you get to encourage the federal government to be supportive of it? And that came from our officials in the ministry to officials in the federal ministry.

Mr. McCall: — Again it's a federal decision that impacts pretty dramatically on what has been a valuable initiative not just in the city of Regina but has had, I would argue, a provincial impact. To put it in context, the funds that are being extended to the city of Prince Albert for the new initiative there is less than half of the federal dollars that had been concluded. When it comes to the Regina anti-gang strategy, this is a big problem. And of course it's not like the issues that the anti-gang strategy in Regina was addressing are going to go away. This is some fairly significant off-loading on the part of the federal government.

Did the minister write the federal minister in terms of expressing support for this program? Is there any sort of documentation of the support that the minister is able to provide

to the committee?

Hon. Mr. Huyghebaert: — I personally did not.

Mr. McCall: — Why not?

Hon. Mr. Huyghebaert: — Well it's a federal initiative. And you know, I've talked to my federal counterpart on numerous issues, and if it's a federal decision not to fund something, I can raise my concern. On this particular one, again like I said, our officials did speak with officials there.

The conversations I have with Minister Toews, we talk about many initiatives, and you could ask me why I didn't talk to them about anything. But this particular one on the RAGS, again relating back to if they're not going to fund it, it's their decision, not ours. Now that's why the proposal is coming to us from RAGS to see what we can do, if we wish to do it. And that's the proposal.

I can't sit here and tell you what the federal minister is thinking or why they've done that. Why I didn't write him a letter? I mean, gosh, there's many issues relating to his whole ministry. And I guess you could sit and ask me why I didn't write a letter about every one of them. This one, I personally did not write a letter to him.

Mr. McCall: — Well again I guess, you know, at this stage I'd thank the minister for the answer to the question. Obviously this is a discussion that will be ongoing.

Noting the hour, Mr. Chair, I would thank the minister and the officials for attending tonight to answer some of the official opposition's questions on the ministry's 2012-13 budget and with that I'll say, it's not to say that's the end, but until the next time.

The Chair: — Thank you, Mr. McCall. Thank you, Minister Huyghebaert, and thank you to all the officials. Thank you to our members of our committee. Seeing that it is past 10:30, our allotted time, we will adjourn this committee hearing to the call of the Chair. Good night.

[The committee adjourned at 22:32.]