



STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND JUSTICE**

Mr. Warren Michelson, Chair
Moose Jaw North

Mr. Doyle Vermette, Deputy Chair
Cumberland

Mr. D.F. (Yogi) Huyghebaert
Wood River

Mr. Rob Norris
Saskatoon Greystone

Mr. Kevin Phillips
Melfort

Mr. Warren Steinley
Regina Walsh Acres

Mr. Corey Tochor
Saskatoon Eastview

[The committee met at 19:00.]

The Chair: — Good evening, ladies and gentlemen. Welcome to the Standing Committee on Intergovernmental Affairs and Justice. My name is Warren Michelson. I am the Chair of this committee. Other members of the committee are Yogi Huyghebaert, Rob Norris, Kevin Phillips, Warren Steinley, Corey Tochor, and Doyle Vermette. Tonight we have no substitutions.

We have one order of business. The first item of business will be to elect a Deputy Chair. I want to remind the members of the process. I will first ask for nominations. Once there are no further nominations, I will then ask a member to move the motion to have a committee member preside as Deputy Chair. I will now call for nominations for the position of Deputy Chair. I recognize Mr. Phillips.

Mr. Phillips: — I would recommend that Mr. Doyle Vermette be our Deputy Chair.

The Chair: — Doyle Vermette has been nominated for the position of Deputy Chair. Are there any further nominations? Seeing none, I would now invite one of the members to move that motion. Mr. Phillips.

Mr. Phillips: —

That Mr. Doyle Vermette be elected to preside as Deputy Chair of the Standing Committee on Intergovernmental Affairs and Justice.

The Chair: — All in favour of the motion? Any opposed? The motion is carried.

Pursuant of rule no. 146(1), the estimates and supplementary estimates for the following minutes and agencies were deemed referred to the committee on March 28th, 2013 and March 30th, 2013 respectively — I'm sorry, March 28th, 2013 and March 20th, 2013 respectively — main estimates, vote 30, Government Relations; vote 3, Justice; vote 27, Parks, Culture and Sport.

**General Revenue Fund
Government Relations
Vote 30**

Subvote (GR01)

The Chair: — This evening the committee will be considering the estimates for the Ministry of Government Relations. Before I would begin, I would like to remind the officials to introduce themselves when they speak for the purpose of Hansard. It is now 7:02:30. We will now begin our consideration of vote 30, Government Relations, central management and services, subvote (GR01).

I'd like to welcome Minister Reiter and his officials. And Minister Reiter, if you would like to introduce your officials, and then you can go into any opening comments you might like to make.

Hon. Mr. Reiter: — Mr. Chair, I will do that. I have some officials I'd like to introduce and then I have a few brief comments I'd like to read into the record.

To my right is Al Hilton, our deputy minister. To my left is Karen Lautsch, assistant deputy minister of public safety and corporate services; and to her left is Wanda Lamberti, executive director of corporate services.

Also with us today is Keith Comstock who's the assistant deputy minister of municipal relations and northern engagement; John Edwards who is the executive director of policy and program services; Jeff Markewich, director of financial planning; Alethea Foster, government relations officer in the office of the provincial interlocutor; Trisha Delormier-Hill, executive director lands and consultation; Diane Ford, Chair of the Saskatchewan Municipal Board; and Duane McKay who's the executive director and fire commissioner.

We also have a number of other officials that are available that — depending on the line of discussion — we can call in and I'll introduce them at that time, Mr. Chair. And as I mentioned, I have a few comments I'd like to read into the record.

This budget is built on the principle of balanced growth, supporting our ongoing focus on sound economic growth and shared prosperity. With responsibility for municipal relations, public safety, and First Nations, Métis, and Northern Affairs, our ministry works with a diverse range of partners and stakeholders to effectively plan for and respond to the opportunities and challenges presented by economic growth to enhance the quality of life for all Saskatchewan people and to promote community safety.

And the ministry budget for 2013-14 is \$375.5 million for municipal and northern engagement programs. A large portion of this funding reflects our fulfillment of government's promise to provide municipal revenue sharing that grows with Saskatchewan's economy.

In 2013-14, municipalities will receive record revenue sharing for the third straight year. \$264.4 million in unconditional funding will be provided, up by more than \$27 million from last year, an increase of 11.4 per cent. This increase is equivalent to one full point of provincial sales tax and represents 108 per cent increase or \$137.2 million in total revenue sharing since 2007-08. It provides \$170 million for urban municipalities, \$74.7 million for rural municipalities, and 19.7 million for northern municipalities. This is the highest level of unconditional funding for municipalities in the history of Saskatchewan.

Additional funding highlights for municipal and northern engagement programs are as follows: 15.7 million for municipal infrastructure investment; 56.1 million which flows through Government Relations to municipalities from the federal gas tax program; \$5.3 million to cover borrowing costs that municipalities incur for commercial and residential lot development allocated through the Saskatchewan infrastructure growth initiative program; \$3.5 million for the transit assistance for people with disabilities program, representing an increase of

\$325,000 from last year to accelerate municipalities' ability to renew their existing paratransit fleet and to allow for some program expansion; \$10.1 million for the Saskatchewan Assessment Management Agency, representing an operating increase of \$522,000 from last year; and \$12.7 million for grants in lieu of property taxes, representing an increase of \$355,000 from 2012-13 to reflect actual funding requirements.

We need municipalities to work together to overcome obstacles so that all Saskatchewan people continue to benefit from our growth. In instances where this doesn't occur under the current voluntary planning system, the government needs a better way to ensure the absence of regional co-operation is not a barrier to growth. Amendments to *The Planning and Development Act* have been introduced to ensure regional planning around our cities. Included in the budget is \$250,000 to help fund new regional planning authorities.

Also in our ministry budget is \$79.4 million for First Nations and Métis engagement programs. This includes gaming agreement payments, treaty land entitle agreements, and the First Nations and Métis Consultation Participation Fund. The Saskatchewan plan for growth recognizes that improving the education and employment outcomes of First Nations and Métis people is a fundamental economic objective of this government.

Our budget provides \$9.8 million to deliver public safety programs in 2013-14. This includes the provincial disaster assistance program, emergency management and fire safety, and the provincial public safety telecommunications network. We continue to assist communities by providing emergency management and building and fire safety programs, and support individuals, businesses, and communities to recover from natural disasters, including uninsurable financial loss.

The occurrence of natural disasters like flooding and their specific impacts is unpredictable. Therefore we don't budget for disasters. But we plan and we are prepared should one occur, and we will be there for Saskatchewan people when they need us. The Government of Saskatchewan has committed to not allocating the \$182 million in the Growth And Financial Security Fund for any specific infrastructure projects until the impact of the potential spring melt is known. This money will be available to cover flooding costs if necessary.

Overall our 2013-14 Ministry of Government Relations budget is just over \$477 million. Of this total, 445.3 million, or 93.4 per cent, is dedicated for transfer payments to third parties, which includes: 264.4 million for municipal revenue sharing; 73.6 million for gaming agreements; and 71.2 million towards municipal infrastructure investment, which includes payments made under the gas tax program. A total of \$2.2 million, or 0.4 per cent, is dedicated for capital asset acquisition to the provincial public safety telecommunications network. The remaining 6.2 per cent, or twenty-nine and a half million dollars, is used to deliver programs through the day-to-day operations of the ministry, including salary, operating, and accommodation needs. That I'd like, as I mentioned, Mr. Chair, I wanted to read that into the record. And with that, I'd be happy to, with the assistance of my officials, to start entertaining any questions.

The Chair: — Thank you, Mr. Minister, and welcome again to

the officials. Is there any questions that want to be put forward? I recognize that Mr. Broten has entered into the committee to ask some questions. The Chair will recognize Mr. Broten.

Mr. Broten: — Thank you very much, Mr. Chair, and good evening to the minister and to the officials who are here with us tonight. Starting off my questioning this evening, I would like to specifically look at the allocations within the First Nations and Métis engagement subvote. So that's where my first line of questioning will be directed.

The ministry's news release on budget day noted, "increased gaming agreement transfers to First Nations and Métis organizations of \$73.6 million (a 9.0 per cent increase) as a result of higher casino profit forecasts." The actual allocation for First Nations gaming agreements listed on page 78 of the budget Estimates is 69.991 million, so that's a \$3.6 million difference between the news release and the budget document. Could the minister please explain the difference between those two numbers.

Hon. Mr. Reiter: — Mr. Chair, I'll just check with the officials. If I could just clarify your question, you were saying there's a difference of, was it 3.5 million?

Mr. Broten: — 3.6.

Hon. Mr. Reiter: — I'm sure it would be rounded. That would be the Métis Development Fund. That's the difference.

Mr. Broten: — Okay. Could the minister please provide greater detail around the increased allocation for First Nations and gaming agreements in this year's budget?

Hon. Mr. Reiter: — Specifically the increase of 6.1 million, the 2013-14 budget for gaming payments is 73.58 which is a \$6.1 million increase. And that represents . . . The estimated profit calculations is from the Saskatchewan Gaming Corporation, Saskatchewan Indian Gaming Authority, and it's flow-through money, and it's from casino profits.

Mr. Broten: — So the projected forecast for the increase, looking back over the previous years, are those numbers fairly accurate with respect to what the forecast predicts?

Hon. Mr. Reiter: — The forecasts are actually done by the Minister of Finance, not our officials. So you know, they could probably speak to it better. But just sort of in recent memory, our officials think they have been relatively accurate.

Mr. Broten: — Thank you. In previous estimates the minister has provided actual dollar figures with respect to how the SIGA-run [Saskatchewan Indian Gaming Authority Inc.] casinos are doing in the province. Can the minister provide an update on how they're performing relative to previous years?

[19:15]

Hon. Mr. Reiter: — As the revenues come into the GRF [General Revenue Fund], our ministry does the actual distribution of the funds. But the I guess monitoring, if you will, of the specific casinos isn't done by this ministry. You know, if there is some specific information you'd like, we'd certainly

endeavour to do our best to try to get it for you. But sort of the individual monitoring of casinos, my understanding is it's for instance either SIGA itself or possibly to some extent through Finance, but it's not done through this ministry.

Mr. Broten: — Okay. So I know numbers have been provided in previous years. So without getting into the specific numbers, is the situation this year on par, or is it greater or is it less than what's experienced in previous years?

Hon. Mr. Reiter: — Just speaking broadly on that, the projection for profit is up. That's why the increase in the distribution of funds. So you know, I would suggest that overall that speaks to more profit.

Mr. Broten: — Thank you. Could the minister please explain how the current casino revenue sharing works.

Hon. Mr. Reiter: — We have the actual breakdown. I'm assuming you're referring to, depending on the revenue source, where the different amounts of allocations go? I'll get Wanda to just walk through the breakdown of that for you.

Ms. Lamberti: — Wanda Lamberti. In accordance with the gaming framework agreement, there are two streams of revenue. One comes from the Saskatchewan Gaming Corporation and the other through SIGA or Saskatchewan Indian Gaming Authority.

So in accordance with the formula, the SGC [Saskatchewan Gaming Corporation] profit is split: 50 per cent to the General Revenue Fund for the government, 25 per cent goes to the Community Initiatives Fund and the Métis Development Fund. And the way that that formula works is the Community Initiatives Fund gets 80 per cent of the first 10 million profit and the Métis Development Fund gets . . . The remainder is split 50/50 between the Métis Development Fund and the Community Initiatives Fund.

And so in the first case, it's an 80/20 split on the first 10 million, and then the remainder is a 50/50 split between the two. Twenty-five per cent is provided to the First Nations Trust. And so as far as the SIGA profits go, right off the top 2.25 million is provided to the First Nations Addiction Rehabilitation Foundation, and the remainder of the profit is split — 50 per cent going to the First Nations Trust; 25 per cent to community development corporations, and there's one of those associated with each of the Indian-run casinos; and 25 per cent goes to the General Revenue Fund.

Mr. Broten: — Thank you. I understand the last time the gaming framework agreement was amended was in June of 2007 and that there is provision for a regular five-year review which would have been in 2012. In last year's estimates on April 19th, the previous minister on this file said that negotiations were under way and that the government was looking towards the end of last June as a completion time frame. Can the minister please provide us with an update on that.

Hon. Mr. Reiter: — Our officials tell me that on the provincial side of the negotiating that SLGA [Saskatchewan Liquor and Gaming Authority] they believe does that, not our ministry

officials. But to everyone's recollection, there was no changes made to the agreement last year. But I'm going to get officials to follow up on that just in case there were some changes that none of us are aware of. And if that is the case, we will follow up with you.

Mr. Broten: — I thank you. I realize that SLGA handles that. But what is the role of your branch, within your ministry, in those negotiations or discussions?

Hon. Mr. Reiter: — I don't believe there's any as far as the discussions are. The role of our ministry in this is on the disbursement side of the funds, not in making the arrangements for the agreement or in the estimating or calculating.

Mr. Broten: — Are you aware of any desire, any intent within the province for renegotiation of those agreements or any changes that need to be made? Or is this something that's not on your radar?

Hon. Mr. Reiter: — You know, I could stand to be corrected again because that isn't done through our ministry. But I'm of the impression that, you know, discussions were held last year and sort of a review done. And as I said, I don't believe there was any changes made, or if there were some that I'm not aware of, well we'll follow up with you.

Mr. Broten: — Okay. Thank you very much. On the line of First Nations and Métis funding, the amount allocated to First Nations and Métis Relations was 3.219 million last year, and this year it's 2.994 million. Can you please explain the 7 per cent drop in funding.

Hon. Mr. Reiter: — If I could, Mr. Chair, I was just given some more information about the previous question. Can I . . . if you're agreeable to that? What I've been told is as the review and the discussions went on last year that both sides brought some matters to the table. But in order for the agreement to be amended, both sides need to agree on it. Those five-year reviews are done and changes are made if both sides agree to them. Nothing, no changes were made, so the next five-year review would take place in 2017, is my understanding.

Mr. Broten: — So just since we've backed up to the previous question, is it the minister's view then that the issues were resolved and everything came to a close in June, as was projected in estimates the previous year?

Hon. Mr. Reiter: — I'm not sure what the specific issues were that was discussed. I wasn't part of that discussion. But I think the intent is essentially that just so the agreement's looked at every five years. And if there's both parties agree that some sort of agreement should be or some part of the agreement should be changed, and if it's both sides agree, then it's done. If that's not the case, then it just continues in its current form. And my understanding is, while some things were discussed, nothing was changed and it continues business as usual.

Mr. Broten: — So is it the ministry's view then that that review, the five-year window, it closed. It was handled, and now we're ticking into the next period of time until another review would take place as it would be normally scheduled?

Hon. Mr. Reiter: — I believe so.

Mr. Broten: — So there were no changes made to the gaming agreement or the framework? There was no effect for funding that flowed?

Hon. Mr. Reiter: — My understanding again from what I've been told — and again sorry I keep repeating myself, but our officials and myself aren't involved in those discussions — I don't think so. I don't believe so. But we'll still follow up though, and if that's not the case, we'll still follow up with you.

Mr. Broten: — If there has been a change, would the minister be willing in that follow-up, if there is information to be communicated, could it be through documentation through the committee? Would that be acceptable?

Hon. Mr. Reiter: — Sorry. So at the next sitting of the committee, you mean, it's brought up? Yes, absolutely.

Mr. Broten: — Thank you very much. If I can recap the other question I asked . . .

Hon. Mr. Reiter: — Yes. Yes, please.

Mr. Broten: — Sure. No, not at all. I appreciate your willingness to answer there. So on the First Nations and Métis funding line, the amount allocated to First Nations and Métis Relations was 3.219 million last year and this year it's 2.994 million. Can you please explain the 7 per cent drop in funding.

Hon. Mr. Reiter: — It's my understanding that that dollar amount, it's actually comprised of several items including some savings from the reorganization of the ministries, and also part of that was money that was reprofiled to the joint task force. So the funding essentially flows out of the Ministry of Education as opposed to this ministry, to the joint task force.

[19:30]

Mr. Broten: — So to summarize, the reduction of 7 per cent is because of structural changes within the ministry such as staffing, as well as changes with respect to funding that now flows through Education for the joint task force as opposed to FNMR [First Nations and Métis Relations]?

Hon. Mr. Reiter: — It's a number of different things. Yes, those are significant. You know, you mentioned, for instance, you mentioned staffing. There would be some efficiencies through the reorganization but there also would be some salary increases in there. So it's a number of different issues like that.

Mr. Broten: — Then could you please provide a bit of a better breakdown or a more detailed breakdown of the \$2.994 million, what that is going towards, please?

Hon. Mr. Reiter: — That \$2.994 million, of that, 1.846 million is salary and 268,000 is operating. Now Wanda tells me there's sort of two branches that involves, and if you would like a further breakdown, I'll get her to provide that to you in a minute if you like. And then there's also operating transfers of 880,000, and that's comprised of 610,000, which is essentially a number of different grant programs itemized under Aboriginal

initiatives, and also \$270,000 for the Saskatchewan child, youth agenda.

Mr. Broten: — Thank you. On the staffing side, was there a . . . For the FTEs [full-time equivalent] that are provided through these dollars, was there a change in the number of FTEs year over year? And how did that, how did that number change from year to year?

Hon. Mr. Reiter: — Because of the reorganization there was a number of staffing changes, so I'm just going to get Deputy Minister Al to speak to that if I could.

Mr. Hilton: — Deputy Minister Al Hilton. At the senior management level there was certain efficiencies that were possible as a result of the reorganization. For example, we have one less deputy minister and we have two less executive directors. One of the executive directors was redeployed to Public Safety and the other executive director position wasn't necessary and was eliminated. So it's mostly at the senior management level.

Mr. Broten: — So the 7 per cent reduction in funding for First Nations and Métis Relations is entirely explained by staffing changes or were there any cuts to programs?

Mr. Hilton: — There were no reductions to programs. Some of the programs where the estimates have changed year over year to reflect actual expenditures, but if the question just relates to the administration side, the operating side in terms of staffing, there was no reductions in programs.

Mr. Broten: — Thank you. Earlier on the minister made remarks to the funding that was provided for the task force and how that had changed from year over year, and I'll have more questions related specifically to the task force, but could the minister just summarize please the history of your ministry in providing funding to the task force, what it looked like and what it looks like now?

Hon. Mr. Reiter: — The bulk of the funding for the joint task force flows through the Ministry of Education. Through this ministry in a previous year, staff tell me \$369,000 flowed to the FSIN [Federation of Saskatchewan Indian Nations] to ensure that there was adequate representation for First Nations people in the JTF [joint task force] process.

Mr. Broten: — Thank you very much. Moving on to the treaty land entitlement funding line. The amount allocated to treaty land entitlement was 3.121 million last year and this year it's 2.209 million. That's a drop of 912,000 after last year's drop of 500,000. Could the minister please provide an explanation for this year's amount?

Hon. Mr. Reiter: — That reduction of 912,000 reflects two things. The first one is a \$400,000 reduction in tax-loss compensation. That's not for any changes, it's just the ministry officials had looked at it, and it's trying to do a more accurate budget amount based on the last number of years, what's actually being spent. So it didn't change anything. If dollars are required, they'll be there. But it's just to more accurately budget it. And the balance, 512,000, that reflects the fact that the Muskoday First Nation, that that final payment was made in the

last fiscal year, 2012-13.

Mr. Broten: — And that concluded it?

Hon. Mr. Reiter: — Yes, that's right.

Mr. Broten: — Okay, thank you. What are the province's outstanding TLE [treaty land entitlement] obligations?

[19:45]

Hon. Mr. Reiter: — The payments that are budgeted for there, 1.33 million would be for the George Gordon First Nation TLE settlement. There's another one for 441,000 for the Pasqua First Nation TLE settlement. And then your difference would be \$435,000, which would be the remaining budget for the tax loss compensation.

Mr. Broten: — What's the timeline for the amounts going to George Gordon and Pasqua?

Hon. Mr. Reiter: — I'm told the ministry makes annual payments every June.

Mr. Broten: — Okay. And when does that conclude?

Hon. Mr. Reiter: — In both of those instances, this coming June. This fiscal year '13-14 will be the final payment.

Mr. Broten: — Thank you very much. And could the minister please provide a bit more detail on that 435,000 and the remaining amount. What is that 435,000 used for or earmarked for?

Hon. Mr. Reiter: — Okay, that dollar amount is derived from sort of, I guess, historical amounts over the last period of years. There's been a minimum of 145,000 in each year to a maximum of 554. So our officials think that that's more than adequate to have available for them.

And what that dollar amount is used for is when land in rural municipalities goes to reserve status, the province and the federal government put money aside for tax-loss compensation. The federal government pays 70 per cent, and the provincial government pays 30 per cent. And this would be budgeted for the province's 30 per cent share.

Mr. Broten: — Thank you. So are there other negotiations under way currently?

Hon. Mr. Reiter: — There's actually negotiations under way with the federal government and with four different First Nations. Ahtahkakoop, Big Island Lake Cree Nation, Mistawasis, and Sakimay are the four that are under or are being negotiated right now.

Mr. Broten: — What role does your ministry play around the table in those negotiations? Is it mostly initiated by the First Nations and the federal government and at that point you're brought into the loop? Or could you just provide a bit more clarity of how that process works, please?

Hon. Mr. Reiter: — The initial, I guess due diligence if you

will, is done by the federal government to validate whether or not there would be a land shortfall. And if they agree to that, then the negotiations commence, and that's at that point the province then is part of the negotiations.

Mr. Broten: — I'm just curious, what's the average length of time that it takes from sort of the beginning of the process to when dollars would start flowing from the provincial perspective?

Hon. Mr. Reiter: — Just looking to officials that have been around a little bit and have seen it, and I'm told that it can vary greatly depending on how negotiations go. But typically it would be three to five years.

Mr. Broten: — Thank you very much. I know there was a commitment made to the FSIN some time ago to look at increasing the per acre amounts used in addressing TLE claims. During last year's estimates, officials noted that an agreement had not been reached at that particular time. Can the minister please provide an update on that process?

Hon. Mr. Reiter: — The matter has been under, as you know, under consideration for some time and a number of discussions about it. And it's actually still at that stage, it's still under consideration by the federal government. So you know, we'll be following up with this but as of right now, no final decision's been made yet on the per acre value.

Mr. Broten: — About how long has it been going on and is there any projected completion time when a decision or a change may be made?

[20:00]

Hon. Mr. Reiter: — My officials are telling me they think it's been ongoing for a couple of years now. There's been a great deal of discussion with it, including recently my deputy has spoke to the federal deputy on the issue. While the federal government hasn't given us any indication of timelines when we can expect a decision, you know, it'll continue to have a great deal of discussion and I would like to bring it to a conclusion as soon as possible.

Mr. Broten: — So the pressure that the ministry or your deputy is applying right now, is it mostly through those discussions? My question is, is this something that you're pushing to have come to a close or is it . . . Do you see it as sort of being out of your hands and you'll be informed when it's completed?

Hon. Mr. Reiter: — Probably a little bit of both. You know, the final decision will be made by the federal government on it but, you know, there's ongoing discussions at a number of levels. You know, one of our officials just mentioned to me, there's a meeting of officials, I think it's next week that it's on the agenda. It will be discussed there again. So you know, I would hope to bring it to a conclusion relatively soon.

Mr. Broten: — While recognizing the discussions are under way, I'm curious though what sort of financial implications this could have for the province, if there is increased funding that needs to be provided by the province. What sort of increases are we looking at? These would be the current budget that's

forecasted for this.

Hon. Mr. Reiter: — I'll speak to the officials and try and get a dollar amount for you.

Our officials are reluctant to do estimates on this simply because, you know, we don't know what level of increase, if any, will eventually be negotiated and arrived at. So it would be difficult to decide what numbers to use to do some estimating. So my apologies for that.

Mr. Broten: — Thank you. Moving on to the First Nations and Métis Consultation Participation Fund. The First Nations and Métis Consultation Participation Fund is to enable First Nations and Métis groups in the province to be adequately consulted when their treaty or Aboriginal rights are affected or perceived to be affected.

Last year the previous minister, Minister Cheveldayoff, said with regard to the First Nations and Métis Consultation Participation Fund, he said:

. . . the funding decision around the \$1.2 million mark was an average of what we had seen over the last number of years and we felt that this would be an appropriate number going forward, realizing that we do have a legal obligation going forward and if that number has to be adjusted into the future, it would be. But we feel the \$1.2 million should be sufficient to cover the obligation going forward.

So to delve a little bit deeper into what the previous minister said in question period last year with regard to the amount of money allocated to the First Nations and Métis Consultation Participation Fund, I think it's worth looking at the money disbursed through this fund over the last number of years.

The amount disbursed was \$1.3 million in 2007-08, 2 million in 2008-09, 500,000 in 2009-10, 1.7 million in 2010-11, and 337,000 in 2011-12. So that average over those five years was 1.2 million per year, but now we have a budget that has half that amount allocated for the upcoming year. Can the minister please explain why this funding is half of what was budgeted last year and also half of what the average has been for the previous five years?

Hon. Mr. Reiter: — The dollar amount reduction you see is not in any way a lack of commitment to the policy framework. It's just simply a case of trying to reflect historical actuals. And you know, the dollar amounts you mentioned yourself, the last couple of years the \$600,000 would be more than adequate to address that.

Mr. Broten: — Yes, there has been some fluctuation. How many applications were made to the fund last year and how many were actually funded, please?

Hon. Mr. Reiter: — Last year there were 13 applications received and 8 grant agreements were finalized.

Mr. Broten: — So just to clarify, 13 applications and 8 funded?

Hon. Mr. Reiter: — Yes. One of them is still sort of in the process, one was ineligible, and three were prepared and offered

but the applicant chose not to proceed.

Mr. Broten: — Okay. How do those numbers, the 13 and the 8 — and recognizing that every year there'll be some that might qualify and some that might not — how do those numbers, the 13 applications and the 8 approved, how do those compare to say the previous four years?

[20:15]

Hon. Mr. Reiter: — Our officials tell me that this past year is the first year that they've sort of kept track of the actual applications as opposed to just the grants. So previous years, that typically wasn't tracked. It will be from now on starting this past year.

Mr. Broten: — Okay. So provided . . . If the applications can't be provided, how many grants were given out for the years from '07 on, please?

Hon. Mr. Reiter: — In 2007-08, there were 20; in 2008-09, there was 39; in 2009-10, there was 12; in 2010-11, there was 16; in 2011-12, there was four; and in 2012-13, there was eight.

Mr. Broten: — Were there some changes to the parameters of the program?

Hon. Mr. Reiter: — In the past year, you mean? Not in the past fiscal year.

Mr. Broten: — In 2012 was there a change made to the parameters of the program?

Hon. Mr. Reiter: — In '12-13, you're asking?

Mr. Broten: — Yes.

Hon. Mr. Reiter: — I'm told that there wasn't in '12-13, but there was in '11-12.

Mr. Broten: — Could the minister please describe the nature of the changes in '11-12.

Hon. Mr. Reiter: — If I could, that was obviously before my time in this portfolio, and I will get Trisha to explain the changes that occurred at that time if I could.

Ms. Delormier-Hill: — Yes, Trisha Delormier-Hill. In January 2012, our fund criteria was revised to focus on project-specific consultations where government has been provided notification that a duty to consult has been triggered. So basically funding for general organizational capacity and comprehensive traditional use studies is no longer available. But on a project-specific basis, the revised criteria continue to support activities related to coordinating consultation activities and communications, including hiring people to prepare information packages and liaise with leaders, government, and community.

We also support engaging professionals to help the community gather and understand information and report back to government, including the collection of traditional use information in the project area for the purpose of identifying adverse impacts from a proposed project. And also we support

ensuring community participation, including fees and costs for elders and traditional knowledge holders to participate in consultations.

Mr. Broten: — So to the minister, in listening to that description of the parameters of the program or the changes that took place, would it be fair to say that there was a tightening of the parameters with respect to groups being able to access funding for this type of consultation?

Hon. Mr. Reiter: — I wouldn't characterize it as parameters being tightened. What it's done — and I understand has been successful — is it's made funds available when duty to consult is triggered, and it's also allowed some administrative improvements that have led to quicker timelines and more efficiencies as well.

Mr. Broten: — So for the 600,000 that's budgeted for this year, how many applications is that estimated to fund?

Hon. Mr. Reiter: — It's difficult to say because it varies. It depends on project activity and a number of other variables as well.

Mr. Broten: — But there must be some sort of calculation as to how you arrive at the \$600,000 amount, based on projected need and past patterns of subscription to the program, would there not be?

Hon. Mr. Reiter: — Again, officials did the best job they could with sort of looking at historical values. And you know, as you can see from the dollar amounts that I read out before, that with possibly one or two exceptions, it would exceed what was spent in all the other years. Again, I would just reiterate that this in no way is lack of commitment to the framework. It's just merely a budgeting exercise to try to come up with a number that's as accurate as possible.

Mr. Broten: — So in '11-12 for example there were four applications approved. Was I correct in hearing that?

Hon. Mr. Reiter: — That's right. There was four grants.

Mr. Broten: — Four grants, yes. And the dollar amount for that year, that was 337,000? Do I have my lines straight here on the page?

Hon. Mr. Reiter: — I believe that's right. I have some rounding numbers in front of me, but I believe you're right.

Mr. Broten: — So 600,000 compared to three thirty, you know, ballpark, maybe we're looking at seven successful grants that might flow this year based on the \$600,000, recognizing that that's not a perfect science there but it's more ballpark.

Hon. Mr. Reiter: — I understand sort of the, you know, the math you're trying to do, but it's very difficult to do it that way. Just an example of that, the numbers I read through to you earlier, in the last fiscal year we spent \$100,000 on eight grants, and the year before as you were mentioning, four grants for 300,000. So what it really depends on is the size and scope of the projects. So it's very difficult to sort of average those.

Mr. Broten: — Fair enough. So we don't need to pretend we have a crystal ball to predict exactly what this year looks like. But even without that, I mean based on the numbers you provided going back to the '07-08, we see 20 grants, then 39, then 12, then 16. Then there was a program change, as I understand it, in that year. And we go from four, go down to four, then eight. And then in this year, maybe it's not seven; maybe it's ten, whatever the case may be. But that is a trend going down for the number of grants that are applied each year.

So either the demand for this type of consultation has decreased in the province, which I don't think is the case, or that rules have changed in such a way that it makes it more difficult to access funds. Would that be an accurate description?

[20:30]

Hon. Mr. Reiter: — Our officials don't attribute the change in the program to the lesser number of grants being applied for. There's a lot of other variables at play too. You know, if I could point out, just for example, if you compare 2008-09 to 2009-10, there was no program changes at that time that I'm aware of and yet the number of grants dropped from 39 to 12.

So you know, there's many variables. The point of this fast-track process is to sort of make it more accessible as much as possible. But the short answer to your question is no, we don't attribute it to the changes in the program.

Mr. Broten: — Thank you. In the minister's opinion, are our First Nations and Métis groups who access and make application to this program, is it the minister's view that these individuals are generally satisfied with the parameters of the program and its administration?

Hon. Mr. Reiter: — You know, keeping in mind that we're always striving to do better, always striving to improve, and there's always room for improvement, but having said that, I haven't received any letters of concern. My deputy hasn't. One of our officials just showed me some comments they got from a recent First Nations user of the fund, and the quote was:

We found the application process very user-friendly, and we especially appreciated the efforts of your office to involve our First Nation in the design of the process. We feel that this fast-track approach is a very effective way to facilitate the consultation process.

So again I would just say we're always trying to improve and always, you know, looking for ways to improve, but I think it's fair to say that generally the people who've used this are pleased with it.

Mr. Broten: — Thank you. Moving on to another topic, on the topic of consultation, I know back in 2008 the provincial government agreed to undertake a number of exploratory tables. In last year's estimates we learned that the provincial government had been particularly interested in pursuing exploratory tables around (1) economic benefit sharing, and (2) environmental stewardship but that not a lot of progress had been made on the work of these tables.

So in last year's budget, \$200,000 was set aside in the budget

for "... resourcing the dialogue around economic benefit sharing and environmental stewardship and the other topics if there is interest." That's from page 130 of *Hansard* from April 27th, 2012. Can the minister please provide an update on what progress was made over the last year with regard to these exploratory tables and economic benefit sharing and environmental stewardship and other topics?

Hon. Mr. Reiter: — As you are aware, with the reorganization a number of different programs and duties have been moved around amongst various ministries. And I apologize; I can't answer that question for you tonight, but we will get some information for that and get back to you.

Mr. Broten: — Okay. So I realize . . . I mean even if perhaps an official can answer this, but for the \$200,000 that was set aside in the budget for these tables, you know, according to the minister's quote on April 27th, was there any work done through your ministry over the past year with the \$200,000 that was set aside?

Hon. Mr. Reiter: — Our officials don't believe that that work did occur.

Mr. Broten: — So without having the previous minister speak to it, why was the . . . Can officials comment as to why the \$200,000 was set aside for this work a year ago?

Hon. Mr. Reiter: — You know, I would assume in the budget process it was set aside, but the funds just were never utilized for that in the last fiscal year.

Mr. Broten: — So in the reorganization that the minister referred to, there was a suggestion that it may have moved to another ministry. If these tables are not occurring through your ministry, where would they be occurring?

Hon. Mr. Reiter: — The tables didn't occur. They didn't. What I was referring to, you know . . . With the reorganization, some of those issues, the environmental stewardship, for example, possibly in one of the other ministries, in Environment or Economy there may be some work being done in that regard. And if you like, I'll certainly have discussions with my cabinet colleagues on that, and if there is something pertaining to your question, I'd certainly be happy to share that with you. But to be specific on your question that the tables didn't occur, no.

Mr. Broten: — And is there any funding in this year's budget for these exploratory tables or is this dead in the water?

Hon. Mr. Reiter: — Not in the budget for this ministry. I can't speak to the other ones.

Mr. Broten: — Okay. And how does that relate to or is that concerning, given that there was a commitment for such tables in 2008 and then funding was put aside in the previous year of \$200,000 for the operation of such tables? What is the rationale that the ministry is using for no longer pursuing and completing this pledge that was made?

[20:45]

Hon. Mr. Reiter: — I think to a large degree at that time, if

you think back in the calendar, the issue of resource revenue sharing kind of took over the landscape for a period of time. I haven't had any First Nations leaders and — as you know, there's been a number of changes in First Nations leadership over the last number of months — haven't had any First Nations leaders raise that issue with me about these particular topics. You know, if they do, I'd certainly be pleased to engage them in a discussion and see how they'd like to proceed. But I think essentially just the fact that the resource revenue sharing kind of took over the dialogue, these essentially got put on the back burner.

Mr. Broten: — Thank you. Changing gears onto a different topic, provincial disaster assistance program. There will be more questioning later on on PDAP [provincial disaster assistance program], I'm sure. But I wanted to ask as it relates to jurisdictional issues for First Nations, could the minister please describe how the program works or how First Nations can access the program, and how funding flows, and if there are any outstanding claims for First Nations through the program, please?

Hon. Mr. Reiter: — I guess to summarize, and I can certainly give you more detail if you like, but whether a claim is on-reserve or not, it essentially is handled the same from the PDAP perspective. The only difference is at the end of it, if it's on-reserve, the federal government reimburses 100 per cent of eligible claims, as opposed to the . . . And the percentage varies a bit. But on claims for the rest of the province, it's not 100 per cent; it's somewhat less to reflect federal responsibility for on-reserve.

Mr. Broten: — Are there outstanding claims that First Nations have made to the program? If there are outstanding claims, which are they, and what is being done to resolve those claims?

Hon. Mr. Reiter: — There are, as there is a number of in any given year, there's a number of claims for various reasons, not just First Nations — business, municipal, residential, whatever the case may be. Claims can be outstanding for any number of reasons: work not completed, forms still not filed, those sorts of things. I'll try to get you some more specifics on the First Nations one now though.

Mr. Broten: — Maybe just I'd like to ask the question if there's some digging for information there. So it's the minister's view that the handling of claims by First Nations to the program are handled no differently than other applicants to the program. And any delays or any outstanding claims have nothing to do with jurisdictional issues, but simply the routine administration of the program. Is that a fair summary?

Hon. Mr. Reiter: — Our officials tell me that the process of dealing with those are exactly the same. They're status-blind. Whether it's a, you know, a First Nation or a municipality, whatever the case may be, they're handled the same.

The only difference is at the end of the process, reimbursement amounts, as I mentioned earlier, the federal reimbursement would be 100 per cent for eligible expenses to reflect their on-reserve obligations, as opposed to a percentage of for the rest of the province.

Mr. Broten: — Thank you for that answer. My last topic of questioning before I hand it off to my colleagues, I do have a question concerning the joint task force. Recognizing that the dollars are flowing, the 3 million in the budget designated for the implementation of the recommendations is coming through Education, as I believe it, but obviously it has significance and huge relevance to your ministry as well. From the executive summary it says:

In this final report, the Joint Task Force describes three foundational understandings that connect and intersect with all components of the report:

Dignified mutual relationships;
Poverty reduction and the prevalence of racism; and,
Recognizing First Nations and Métis cultures and languages.

As I conclude my line of questioning for the evening, could the minister please provide a comment on how he views the role of his ministry and his role as a minister in implementing the recommendations coming forward from the task force report as it relates to the larger mandate that the minister has with respect to First Nations and Métis Relations here in the province?

Hon. Mr. Reiter: — You know, as you mentioned on that particular issue, because of the emphasis placed on education I'm not the lead minister in that. Minister Marchuk, Minister of Education is. You know, certainly I think it's very important in the upcoming weeks, you know, I'll be speaking to the ministers involved and delving deeper and deeper into that report.

You know, I'd be . . . it would be sort of premature of me, I guess, to get very specific because I do want to have an opportunity to study the report more in detail. But I, you know, as you know our government's spoke to this a great deal in the past, the importance of it. And I look forward to, you know, spending some time with my colleagues and discussing where we go from here.

Mr. Broten: — Thank you, Minister, for those remarks. And I believe I'm going down to committee room 8 shortly, and let my colleagues carry on, but I want to thank the minister and the officials for the information this evening.

Hon. Mr. Reiter: — Thank you.

The Chair: — Thank you, Mr. Broten. This committee will take a 10-minute recess. The time is 8:54. We will be back at 9:05.

[The committee recessed for a period of time.]

The Chair: — Good evening. We will resume. This is the Intergovernmental Affairs and Justice Committee. We will resume the consideration of vote 30 for Government Relations, central management and services, subvote (GR01). Welcome back, and we'll continue with the questioning. And I see Mr. Vermette has a question.

Mr. Vermette: — I guess . . . I thank you, Mr. Chair. And to the minister and your officials, I just want to say thank you for being here and giving us an opportunity to ask some questions.

I'm just trying to get some clarification, if I could. You talk about revenue coming in from a casino, from Gaming versus First Nations and I guess the government casinos, too, that are run. Can you explain to me how much revenue and what is the difference? I'd like to know exactly. First Nations casinos give 80 million and Regina Casino back to each other. So I just want to understand that. I know there's a formula, but what are the actual numbers, if you have those numbers to see?

Hon. Mr. Reiter: — Mr. Vermette, I'll just get Wanda to run through again the formula, but with the dollar amounts as part of the formula as well.

Ms. Lamberti: — It's Wanda Lamberti. Okay, so in the two streams, one is the Saskatchewan Gaming Corporation, which are Casinos Regina and Moose Jaw. And the estimated net profit forecast for SGC for the '13-14 fiscal year is 52.7 million. And of that amount, 50 per cent, in accordance with the framework agreement, is distributed to the GRF, or the General Revenue Fund, for a total of 26.4 million. Twenty-five per cent is split between the Community Initiatives Fund and the Métis Development Fund or the Clarence Campeau Development Fund. And the way that that amount is split is, on the first 10 million worth of profit, 80 per cent goes to the Community Initiatives Fund and 10 per cent to the Métis Development Fund, and then the remainder of that 25 per cent is split 50/50 between the two. The remaining 25 per cent goes to the First Nations Trust for a total of 13.2 million.

So on the Saskatchewan Indian Gaming Authority stream, the net profit forecast that we've been provided with by the Ministry of Finance is for a total of 75 million. Right off the top, 2.25 million is distributed to the First Nations Addictions and Rehabilitation Foundation, so that's subtracted right off the top. Then what happens is 50 per cent of the profit is distributed to the First Nations Trust, and in '13-14 that estimated number is 36.4 million. Twenty-five per cent is distributed to the community development corporations for a total of 18.2 million, and there is a community development corporation associated with each of the SIGA casinos. And then 25 per cent or 18.2 million again goes to the General Revenue Fund.

Mr. Vermette: — I just wanted to understand. I hear different numbers and people say one thing, and it's clear to . . . And I just wanted to clear up, to see exactly how much one way or the other is going from . . . was there more coming into from I guess the First Nations casinos versus government, back and forth, the way they exchange the formula? So that explains it. Thank you.

I guess my next question, and I'll go to this, and I'm going to stay in this area for now, and then I'm going to switch to Northern Affairs, just if you want to get your officials after this question. And I know that currently right now with the First Nations, Métis you have the framework for the duty to consult and accommodate. It is I guess the government's version. And can you tell me currently right now, if you're using that document? And I know I've been told by ministers previous, it's a living document and, you know, as you move it along.

Clearly from my understanding, and you can correct me, have First Nations and Métis, have the organizations, have they accepted that document as saying that yes, that's something that

they will honour and work with, or is that not the case with the document that the government wanted to use, the one that you're using? When we talk about triggering the mechanism to do the duty to consult and accommodate, has that been happening, and have they accepted that document?

Hon. Mr. Reiter: — Generally speaking, you know, we've found that at FSIN and the Métis Nation levels, there's probably some differing of opinions on the understanding of what the province's duty to consult obligations are. But having said that, you know, we found that First Nations and Métis communities, you know, were working, and they're working with government to address duty to consult issues as they arise.

Mr. Vermette: — So you're saying there might be a different . . . of the way they're looking at what the document says. I'm a little confused with that because . . . And I want to try to get a clear answer because it's helpful to understand, if your departments and other ministries are using a document that a certain group doesn't believe is in their best interests, and if they're not buying into it, then whether that triggers the duty to consult and accommodate for any ministry.

And if it's a group that's saying, we don't accept that document, then how is it that you can be using a document that groups don't accept or they're not accepting it the way you are presenting it? Maybe they don't . . . I'm a little confused with the way you're presenting it. So if you could clear it up for me, that would be helpful, if you could.

[21:15]

Hon. Mr. Reiter: — It's no secret that those two organizations sort of differ on sort of the specifics of what the provincial obligations and duty to consult are. I think that's been the case for a long time, including under the previous government. But my point is that as these issues do arise, that both organizations have been working with government to address those issues.

Mr. Vermette: — Okay. My last question on this and then I'm going to move on like I said, and I apologize. But as we go through it, we have a group of . . . And we'll talk about our trappers. Our traditional trappers live up north, and they do, they live off the land. They pass that down to their grandchildren, next family. You have some of our traditional trappers who work with community members and try to work with youth that are struggling in our communities. And they take them on the traplines and they try to work with them to change them around. And it's very positive, and we see that and that's good.

But let's say they're out there and they're living off the land and they go out and they trap animals and they eat the meat and they use what they can out of the animal the traditional way that they always have for generations. But unfortunately now they're getting letters stating to them that if they're a commercial trapper and somebody's going to go on their traditional trapline, and for whatever reason, if they're classified as a commercial trapper, the trigger to the duty to consult and accommodate will not be triggered with your current framework for the document that you're claiming is the one that you guys are using and other ministries are using. Then it's saying that they're exempt. And they've received letters from

that, from the Minister of Environment telling them that, and that's very concerning to them.

And I'm just concerned to see, and wondering where your feelings are, being that it is your file as a ministry to work on behalf and work with First Nations, and I assume under the constitution and the ruling that was there and the Supreme Court ruling making it very clear the Crown's obligation. Can you explain that to me how one ministry says it doesn't trigger, yet you talk about a document that you're using, and that's what they're using and you're saying . . . And I want to be clear on this and I believe your current administration is the one that actually implemented this document and is saying, this is the one we're going to use. Now whether it started before under another administration, that's fine. I don't understand.

The Chair: — Mr. Vermette, I'm just going to caution you a little bit. I'll let you finish your question and let the minister answer if he likes, but I'd like to confine the questioning to vote no. 30 if we could, please.

Hon. Mr. Reiter: — You know, certainly any concerns that the northern trappers have, I take very seriously. The issue you raise specifically though, the duty to consult policy is across all ministries of government. But in some ministries, for instance I believe that the Ministry of Environment has some implementation policies, those sorts of things that I don't know the specifics of and I wouldn't be able to comment on. But what I'd be certainly prepared to do is to raise your issue with the Minister of Environment and ask him to respond to you in writing if you like. I'd be certainly happy to do that.

Mr. Vermette: — Thank you, Mr. Chair. And I thank you for giving me the leeway with the question, and what I was trying to do is because of the cuts that . . . And I know my colleague raised further with the amounts of money that were cut from the duty to consult and accommodate. And I realize there's different areas that are cut and concerns that are raised. So I appreciate the leeway, and I know we're voting on a certain . . . in the budget item. But it might be affecting that budget item when we see revenue coming down and budgets being cut, and maybe that's one reason that they're being cut. So that's why I raised it in there. So thank you for that leeway.

Now I'm going to go on to Northern Affairs and some of those questions in there, so if you want to have your officials change, I'll allow that. Again I just want to say welcome to your official from Northern Affairs. There are some concerns, and I guess I just want to see if we maybe can put this out, and however you want to answer it, that's fine. But people are watching Northern Affairs. And they watch the employees, and they watch the programs, northern municipalities. And you have New North. You have different groups that on behalf of the mayors and on behalf of the citizens of the North, they bring their issues forward, and they raise issues. And they advocate for northern people and that's good.

But when we see some of the cuts that are going on and some people observe, if you can just give me a little bit of background information, programs that have been cut. Or when we look at budgets and northern affairs budget, and I'm going to talk about some certain items. But I just wanted to give you an opportunity, if there's areas where you can share with us

programs, and maybe there's reasons why you guys have cut, or jobs, jobs that were being transferred. I can go through those questions one at a time if you want, or I can give you an opportunity where I'm trying to go . . . just to understand a little more information, to understand if there has been cuts in positions, programs that are no longer existing. And I can name some of those but you probably have a better idea. You've been there long enough and maybe between your officials you can share some of those areas.

Hon. Mr. Reiter: — So I don't believe there's been any programming cuts that you're referring to. There has been one vacant position that's been eliminated in the sector development area. I would say that probably far more . . . What's had far more impact on the North from this year's budget is the changes to revenue sharing. There was an 18.6 per cent increase to revenue sharing in the North, a total of \$19.7 million.

Northern municipalities, in our view, have some unique challenges. And in probably most instances they have less of an assessment, a commercial industrial assessment base, which affects of course tax levy opportunities. And also you know, as you're well aware, just because of proximity, oftentimes costs are accelerated greatly and we just felt it was, as a government, it was very important to recognize that. And so we dramatically increased the . . . Well the revenue sharing pool for all municipalities has been up dramatically under this government. In particular the changes this year for northern municipalities, it's a tremendous increase, as you see, and it's been very well received.

Mr. Vermette: — Thank you in explaining so that we have one position just to be clear, and that's good to know. You're saying there was no current programs being affected or cut in this year's budget. But you're not saying that . . . And I know you weren't here previous years so you're not going to know which programs were cut, which I know were cut. And I understand that and I appreciate that. But I just wanted to see if there was any cut in this current budget. And you're saying one position maybe.

Now you talk about the . . . And that is an increase about \$3.098 million in northern revenue sharing to northern Saskatchewan. And yes, you're right, that's good to see. Now is that new monies that the government just came up with the program and you said, because we want to help the North, we're going to give you 3-point-some million dollars more? Or where did those dollars come from? Can you explain that, where they came from?

Hon. Mr. Reiter: — Sure. The municipal revenue sharing pool is now tied to a dollar amount equivalent to one point on the PST [provincial sales tax]. And so what that has meant in this year's budget is a \$27 million increase to the overall pool. And we reviewed the funding formula for how that would be divided amongst the various pools: the cities, the towns, the villages, the rural municipalities, and the North. And so that the new breakout has been set this year.

And as I mentioned, just given the unique challenge in northern communities, it was determined that the dollars needed to flow. So there is a huge percentage increase and significant as you mentioned, a \$3.1 million increase for overall just under \$20

million to northern municipalities. So as I mentioned, you know, it's significant. It's probably a far more dramatic increase than they've ever seen and it's been very well received by northern leaders.

Mr. Vermette: — So I want to be clear on this and I want to make sure I understand this. Then it isn't new money that came in to government, like a new program. It's my understanding and what I'm hearing you saying is it's one per cent of the PST. It's because revenue with the PST went up so then they get a larger percentage. Same with the other municipalities, whether it's urban or rural. And the North got their percentage. Is it because, and if I'm hearing, there was more collected with the PST, so the 1 per cent that they were supposed to get, their share went up? Is that correct?

[21:30]

Hon. Mr. Reiter: — It's not a matter of a new program. It's an existing program with a significant dollar increase to it, the overall revenue sharing pool. As part of the review . . . And it is tied. It was determined a couple or three years ago that we would tie the dollar amount to an amount equivalent to one point in the PST. That's how the total pool would be determined, and this year also.

Sort of the secondary part to your question is, how would we break out that pool? And the percentages that each sector in the pool receives has changed. And the percentages for the North had been set at 7 per cent last year. It's now been increased to 7.8 per cent. I'm sorry, 7.5 per cent. So what you're seeing, that huge increase in dollars, is for two reasons. It's first of all the extra \$27 million flowing into the overall pool, and the second part of it is that increase from 7 per cent to 7.5. So it's sort of, kind of it's had a double impact. And that's why the significant increase.

Mr. Vermette: — Okay. And that helps it because I was wondering about it too, if it was a new program, new dollars. So it's a lot of revenue, more revenue came into the government's coffers collected with the PST. Is that correct then? And I think that's what you're saying again.

But there's also another part of it. You're saying they've gotten a little bit more of the fund. And the way it's negotiated, just to be clear on that, that they've gotten a small . . . Well half a per cent I guess is what you're referring to?

Hon. Mr. Reiter: — Yes. That's the percentage of the overall pool. So last year they would have gotten 7 per cent of the overall pool. This year it's 7.5 per cent, but the overall pool has also increased dramatically, so they're getting a bigger percentage share of a bigger, a bigger pie.

Mr. Vermette: — Okay. No, that's good. I wanted to understand that, the difference. Now I guess the other area I want to go on in, when you have your . . . And I know with your ministry you're responsible for the Northern Affairs. And we call it Northern Affairs. Northern engagement, I see on the document here, you're calling it. What exactly, and I'm not sure, is northern . . . Your ministry looks after . . . What are you calling it now? So is it not Northern Affairs, responsible for Northern Affairs? Can you explain that to me? Just to be clear,

I'm not sure about it. I just want to be clear on the wording of it.

Hon. Mr. Reiter: — Sure, the overall title has kind of come under the umbrella of Government Relations, but included in that, I'm also responsible for First Nations, Métis, and Northern Affairs.

Mr. Vermette: — So under that, I guess, role and the ministry, it's under yourself and your department, you would advocate for northern, whether it's northern municipal affairs, whether it's First Nations, Métis in northern Saskatchewan. And any of the ministries that work with northern communities, whether they're First Nations, Métis, the municipalities, your office then would work with the other, I guess, ministers and ministries to deal with issues facing northern Saskatchewan. Would that be clear, or am I . . . Has that moved some way? I just want to get the clarification on it.

Hon. Mr. Reiter: — Sure. You know, I view that part of my role as . . . You know, the whole area around, you know, First Nations, Métis, and Northern Affairs, it's not one stand-alone ministry. You know, there's many issues that have an impact. You know, there's health, there's highways. You know, you name it, it's across the board much like the rest of the province. But I view my role in that that when it's not something specific that's handled by my ministry, we attempt to in many ways, I think, act as a facilitator. You know, if there's something we can do as far as communications with a different ministry, we'll certainly attempt to do that.

I have a very good relationship with all my colleagues. And you know, if there's for instance a community in the North that has an issue — I've visited a number of communities since I've been appointed minister — if there's issues that are raised that go beyond the scope of my ministry and one of the others, I'm certainly happy to try to facilitate communications or get answers or whatever I can do to assist.

Mr. Vermette: — Well no, and I appreciate that because I think there are quite a few issues that northerners are wanting to express. And I think they have expressed them, but sometimes, I guess, maybe they're feeling that they're not being heard. And maybe there's an opportunity, and if I hear clearly from yourself your commitment to that, and I appreciate that you're committed to saying you're willing to work with any of those groups.

I mean, they have to work — and I understand the protocol — they'll work with the ministries. But maybe they can work with your office to make sure that their issues are raised at the table, at the cabinet table, or where it needs to be. And I think I hear your commitment to that, and I will encourage people do that. And if I can facilitate that in any way with groups to come forward to your ministry, I will do that. And your commitment is appreciated as a minister to northern people, and we'll hope that when those offers are given and we take them up that we will have your commitment. And I appreciate that and thank you. And I have no further questions at this time, Mr. Chair.

The Chair: — Thank you, Mr. Vermette. Is there any other questions? Mr. Wotherspoon, you've got some questions? The Chair recognizes you.

Mr. Wotherspoon: — Thank you very much. Thank you to the minister and officials for their time here this evening. Also welcome to Mr. Devon Bernatchez, as I understand, one of La Ronge's finest educators who's down here right now with the Teachers' Institute on Parliamentary Democracy. It's nice that you're joining us here this evening.

I'll move along with some of the questions into some of the other areas that haven't been touched here tonight. I'm looking at the reduction of FTE's, just over 13, I believe, in your ministry this year. And I'm just looking as to the rationale for that reduction and where those reductions will occur?

Hon. Mr. Reiter: — You know, because of the detailed nature of the question, I'll get our deputy minister, Al Hilton, to address that.

Mr. Hilton: — Al Hilton. So of the 13 vacancies, and I've got a long list here of internal adjustments and all the rest of it, so I'll try and just give you the executive summary.

There were, as a result of reorganizational efficiencies, there was five positions freed up in the ministry's offices. There was a deputy minister position. We were able to identify some efficiencies in the communications branch, so we were able to reduce one vacant FTE there. We were able to identify some efficiencies in the policy area, so we reduced an FTE there that was vacant. There was a senior manager, senior management position that we had identified as being unnecessary as a result of the reorganization and that position was eliminated.

So I don't know how many that totals, but that should start bringing us close to 13. I can say that all of this was accomplished with affecting only one person and that termination was amicable. And I think I can say in all fairness that I think that these efficiencies won't have any impact on the ministry's ability to deliver its mandate.

Mr. Wotherspoon: — Thank you for the answers. Just as it relates to the deputy minister's position, also the one referenced to being a policy area and the one referenced as a senior manager, which areas were those folks involved with before?

Mr. Hilton: — The policy position was in policy and program services, so that's the part of the ministry that does all the fun work around education, property tax, and all the technical sort of side of Municipal Affairs. And one of the senior management positions was in the former First Nations and Métis Relations ministry.

Mr. Wotherspoon: — Any of those positions, have they been replaced — or some of those roles or skill sets — with contracts or have additional contracts been taken on by the ministry?

Mr. Hilton: — No.

Mr. Wotherspoon: — As far as programs that have been terminated or no longer continued or discontinued this year across the ministry, could the minister or official speak to those programs?

Hon. Mr. Reiter: — As a result of the budget there's been no programs that we can think of that have been ended or cut, with

the one exception what's referred to as MRIF. It's the Municipal Rural Infrastructure Fund. And that one is under an arrangement with the federal government. And that wasn't cut as it was a term program, and it's just ended its run. It's run its course.

Mr. Wotherspoon: — It's the rural municipalities infrastructure fund. Is that correct?

Hon. Mr. Reiter: — It's the Municipal Rural Infrastructure Fund, I believe. And the acronym is MRIF, which is what you'll frequently hear it referred to.

Mr. Wotherspoon: — Has that been replaced by any program provincially?

Hon. Mr. Reiter: — No. What's happened in the case with it, and with sort of the whole infrastructure piece from the programs that the federal government . . . it was a cost share with federal-provincial-municipal governments. You saw a great deal of advocating over the last number of months and years for a replacement for the overall infrastructure funding. And you saw an announcement in the recent federal budget that there is a new program coming out. So you know, we're looking to that for the upcoming years to replace the existing programs.

Mr. Wotherspoon: — And how will that assist? Are dollars dedicated and ready to fund infrastructure this year to partner with that program then?

Hon. Mr. Reiter: — The infrastructure programming for this year generally consists more of the existing federal piece that's winding down. And there's dollars in place in this budget for that. The new federal program essentially would start in the next fiscal year.

Mr. Wotherspoon: — Is the minister concerned with what seems to be inadequate infrastructure support for both our rural municipalities and urban municipalities at a time they're certainly facing a lot of strain and pressures?

Hon. Mr. Reiter: — I'm sorry, I'm not clear on what you mean by inadequate infrastructure support.

Mr. Wotherspoon: — Sorry. My question was, is the minister concerned by what appears to be inadequate infrastructure support? I guess so the question to the minister then would be, in consultation with stakeholders and recognizing the deficits that our municipalities are facing across the province, we're up against a significant challenge as a province. And I see a lot of reductions in infrastructure programs from the provincial government in this budget, and I don't see it going the distance that's required to be addressing the infrastructure challenges. So as a minister, are you concerned with not addressing those infrastructure needs in a timely way?

[21:45]

Hon. Mr. Reiter: — The dollar amount, the reductions you're seeing are the result of the winding up of the federal programs, that they were cost shared provincial, federal, municipal. And that's as those programs wind down is why the provincial share

is diminishing.

So no, actually when I look at what's happened with provincial involvement in municipal infrastructure over the last few years, I spent my entire career in municipal work, and it's been unprecedented what's happened over the last few years as far as provincial dollars flowing to municipalities for infrastructure.

Mr. Wotherspoon: — Does the minister have a number he can share with us as it relates to deficits of infrastructure, infrastructure deficits for our urban municipalities and then also for our rural municipalities?

Hon. Mr. Reiter: — The problem with trying to put a dollar figure on it is, you know, methodologies are different, and you know, it's just very difficult to. I think suffice to say that our government certainly recognizes that there are significant infrastructure pressures on municipalities, and that's why the advocating we did for a new long-term federal-provincial cost-sharing arrangement. To put an actual dollar estimate on it is very difficult. But as I said, I think, you know, we've made it very clear, very public that we recognize that there's pressures on municipalities. And we've taken, went to great lengths to assist them with that.

Mr. Wotherspoon: — So in this budget then . . . You know, you go to village or town after town or hamlet and certainly all of our cities, and they're facing these pressures. And I think of many of those smaller communities, those towns, so many of them facing challenges with waste water specifically and lagoons that are at capacity or at lifespan. What does this budget do to address the challenge they're facing and assist them with the planning that they require to take on?

Hon. Mr. Reiter: — I think it's sort . . . There's a two-fold answer to that. First of all, you know, on the infrastructure pieces as I mentioned, senior government dollars flowing to municipalities for infrastructure has been unprecedented. And we look forward to, you know, as we delve more into the upcoming federal long-term program, we think, you know, the Premier has made it very clear that we'll be a full partner in that. We'll do what we can to assist municipalities more immediately for this budget year, as you alluded to. There is sort of the winding down of the existing infrastructure programs, but the second piece of that is, you know, I'd point to the municipal revenue sharing. That has increased dramatically in recent years. That's unconditional funding that can be used for capital or operating or whatever municipalities deem the best use for it is.

Mr. Wotherspoon: — Is it the minister's feeling that the municipal operating grant should be utilized for infrastructure? Is that what he's suggesting.

Hon. Mr. Reiter: — Again, it's unconditional, so we, as the government, we feel that municipalities are in the best situation to determine what the best use of those dollars are.

Mr. Wotherspoon: — Out of the consultation that the minister has had with the rural municipalities, the urban municipalities, is it the minister's feeling that many of those municipalities would have flexibility on the operation side to move dollars over to infrastructure needs out of that, with that grant?

Hon. Mr. Reiter: — You know, I didn't really delve into that with them. You know, as you know and I have mentioned earlier, I have a municipal background. That was my entire career before politics, and you know, I think sort of respecting the abilities of municipalities to make those sorts of determinations for themselves is very important. And you know, I come back to the comment that revenue sharing is unconditional, and each individual municipality is in the best position to determine how they should use those funds appropriately.

Mr. Wotherspoon: — I have many, many municipalities who share with me that they have a lot of pressures on the operations side as well, and they're thankful for the operational increase with the operating grant, but I haven't actually heard a single municipality suggest to me that they have too many dollars on that front. In fact I know most are facing operational pressures that exceed the dollars that are coming to them because of the growth and opportunity that many of those communities are facing, and some of the infrastructure they need to be addressing simply isn't addressed at all.

So just to clarify again, as I say, I haven't had a single municipality of all the villages, towns, hamlets, RMs [rural municipality], cities across the province that I've consulted and spoken with that have shared with me that they will be utilizing dollars from that grant on infrastructure because they don't have the operations demands and pressures that are there. Is the minister under a different . . . Do you have a different perspective on that?

Hon. Mr. Reiter: — It would depend on each individual municipality. I would suggest to you that there probably are a number of them that would use some portion of that for some type of infrastructure. But again that's for their determination not ours, whether they use it for capital or operating. You know, there's a lot of municipalities in the province, and I'm not going to speculate what each one of them is going to do. It's certainly up to them.

Mr. Wotherspoon: — As far as the actual deficit, infrastructure deficit, you must, as a ministry, must have some number you attribute there through your methodology. It may not be consistent with how it's accounted for by some of your partners.

Hon. Mr. Reiter: — No. Again, you know, I think we've taken the approach that methodologies would differ. It would be probably difficult, you know, to compile. And we've just taken the position that certainly there's huge infrastructure pressures on many municipalities. You mentioned about the, you know, the growth happening in the province and a number of municipalities experiencing a lot of growth, probably the pressures are more acute, and that the best possible way we can assist with that is, again, is twofold. We've just had the discussion on municipal revenue sharing. And the secondary piece, it's important that we have a long-term infrastructure program in this province cost shared between the three levels of government. And it looks like that's about to occur.

Mr. Wotherspoon: — Certainly I would convey a concern as it relates to the importance of addressing the infrastructure needs of our growing communities and all communities, and that's

something that's important. Many of them are, many communities are faced with a borrowing that they haven't witnessed before, taking out significant new levels of debt. Maybe more of a question to the minister: does he have any concern as it relates to the skyrocketing debt for many municipalities in the province?

And then my second question, and it's more of a requesting information, not necessarily to be shared right here tonight, but could the minister endeavour to provide back to us as members of this committee the debt levels of all of the communities, the municipalities across Saskatchewan.

Hon. Mr. Reiter: — To the first part of your question about overall debt levels, I would say in the vast majority of cases, you know, municipal governments in this province have been very good financial stewards. They've done a very good job with that, and debt levels are, again in the vast majority of cases, have been managed very well.

To your question about providing the debt levels for all municipalities, we're just having a discussion here. We believe we can provide that to you. What it will entail though is ministry officials will have to go through the audited financial statement of each municipality in the province. So we'll certainly provide that to you, but we just ask you to be a little bit patient because that'll be a little bit . . . there'll be some time constraints there.

Mr. Wotherspoon: — I appreciate that and of course take the time. Certainly I'm not looking for an answer here tonight but looking for the information to be provided back and if that could be provided maybe for the past few years at the very least as to what those debt levels have been. Maybe going back, maybe going back four years anyways would be helpful information for the public.

And certainly I would concur that those local governments in case after case after case have been strong fiscal stewards. And myself raising any concern around or any question around debt isn't a question of the financial management of those municipalities but may highlight the importance of other levels of government making sure we're supporting the pressures that those municipalities are facing.

Hon. Mr. Reiter: — If I could just for clarification, because each year that you want to look at the debt levels, someone will have to . . . It's going to be very time-consuming. So I just want to be clear on what the actual request is.

Mr. Wotherspoon: — If we could have a reporting back to this committee, and then subsequently the public of course, for the debt levels then in this year and hearing some of the . . . for all of the municipalities across the province, recognizing that's a fairly significant task. If then maybe for our cities, if that would allow us a view into the cities . . . So maybe then just for the cities, if we could go back for four or five years of data for the cities. And maybe just by way of . . . maybe a couple, if that could also be provided for the five largest RMs by way of taxation, for the five largest RMs as opposed to all of the . . .

Hon. Mr. Reiter: — Just to clarify, largest by taxation or by assessment?

Mr. Wotherspoon: — Well assessment, sure.

Hon. Mr. Reiter: — I assume you just need some sort of like a snapshot, right?

Mr. Wotherspoon: — That's right, to have an understanding for the public as to what's going on with . . .

Hon. Mr. Reiter: — Sure. Sure, they'll work on it. As I said, as long as you . . . if you don't mind, if you recognize just there's significant hours involved in that, but they'll certainly do that.

Mr. Wotherspoon: — Thank you. Looking at some of the other infrastructure demands and pressures that communities have and some of those local pieces, certainly the discussion throughout Prince Albert and the entire region is focused around the importance of the bridge and transport of people and materials across that bridge. And it's certainly been raised by the business community, across the municipal sector, through families and residents the pressure and strain on the current bridge and also the case for a second bridge. We've heard the Minister of Highways on this issue. I guess my question would be, the people of Prince Albert are looking for some support or some consideration for that second bridge. As minister, have you met with municipal leaders, business leaders throughout Prince Albert as it relates to the second bridge?

[22:00]

Hon. Mr. Reiter: — You know, as you mentioned, the second bridge issue in Prince Albert falls under the Minister of Highways and Infrastructure. And you know, I believe that any sort of lobbying efforts from community leaders in that area would have been directed to him.

Mr. Wotherspoon: — Have you heard concerns as it relates to municipal leaders from Prince Albert?

Hon. Mr. Reiter: — I'm trying to recall whether . . . Because I've met with many municipal leaders in that area. You know, I don't recall that specifically being raised at a meeting. It's possible it was. But again municipal leaders are very astute, and they know which minister is in charge. And I believe that their concerns would have been directed to the Minister of Highways and Infrastructure.

Mr. Wotherspoon: — As it relates to Saskatoon, is it the Saskatoon northeast commuter bridge that's a piece of infrastructure that's being worked towards by the community? I guess just maybe if I can seek from this minister where that project's at and where the level of commitment is from his ministry.

Hon. Mr. Reiter: — You know, much as with the issue with Prince Albert, I don't know where discussions, what discussions may or may not have been held between officials in Saskatoon and the current Minister of Highways and Infrastructure. You know, I can certainly raise the issue with him and have him respond to you if you like.

Mr. Wotherspoon: — That would be appreciated. And if the minister has an awareness of any discussions or commitment made by the previous minister of Highways and Infrastructure

as well, that would be helpful as well.

Hon. Mr. Reiter: — When the previous minister of Highways and Infrastructure — that would be me — was in that position, any discussions I had at that time with civic officials from Saskatoon was very preliminary I guess, if you will. You know, they expressed . . . As you know, there's a great deal of interest for a bridge in that area in Saskatoon, but at that time, you know . . . And I don't want to make it sound like it was a frequent topic. It wasn't. It came up at a meeting on occasion with Saskatoon officials. But as I said, it was sort of in a very preliminary kind of vein.

Mr. Wotherspoon: — And as it relates to Saskatoon infrastructure, has a north perimeter highway also been raised with this minister? Is that part of a consideration?

Hon. Mr. Reiter: — That one again would probably be, you know, it would be better . . . I haven't been privy to any conversations in quite some time with that, so I'd only be speculating.

Mr. Wotherspoon: — I guess as it relates just in general to Saskatoon, I understand that there's significant pressures by way of traffic congestion that have been certainly shared with myself and I'm sure as well with the Minister of Municipal Affairs and the minister as well of Highways and Infrastructure.

But as it relates to Saskatoon as well, just as one example, I understand that it's been quantified that to keep up with the infrastructure deficit or to maintain the infrastructure from further degradation, to stay in a maintenance or status quo environment, it would take \$25 million a year of infrastructure dollars to do that. And it's my understanding that it's just a little over \$13 million annually that they're able to allocate to infrastructure right now, putting that infrastructure in a position where in fact we're losing ground on the deficit.

So we don't just have a deficit, but the infrastructure is degrading — the water mains, the roadways, the sewer systems, all of the important infrastructure of a municipality. Are those numbers the sort of numbers that the minister is acquainted with, or does he have another perspective on whether or not communities are keeping pace with the actual dollars that are needed on an annual basis to at least maintain the infrastructure they have and not be moving into further degradation?

Hon. Mr. Reiter: — You know, speaking to the infrastructure piece, the actual dollars that you're referring to for a specific municipality, I don't know. You know, they would have their own methodology and way of tracking that.

We were talking earlier about the federal-provincial program that's sort of winding down right now and the new one coming up. It's for reasons you're alluding to that I think it's just so important for this province that there is a long-term shared program for infrastructure. It's why I'm looking forward to, you know, delving into the new program that was recently announced. We want to make sure that dollars are available for infrastructure to municipalities in the province.

And you know, I come back to the discussion we had earlier on revenue sharing as well. You know, I'm just looking at what's

happened with revenue sharing in Saskatoon, and you look at the increases for municipalities in the province. I look at Saskatoon five years ago in 2007-08, their revenue sharing was \$17.7 million. This year it's going to be \$47.2 million, so as you can see, a massive increase over the last few years for revenue sharing. So I think that speaks to the commitment this government has for municipalities, recognizes the pressures they're under, and does a great deal to help alleviate those pressures.

Mr. Wotherspoon: — Fair enough, although I can say that I certainly don't see the municipal revenue-sharing dollars as something on the side of a growing community like Saskatoon to be something that are able to be utilized for infrastructure. The demands are significant, and I think the data speaks for itself that even with that increase in revenue sharing, our infrastructure is further decaying and deteriorating on an annual basis. And we aren't enabling our communities or our communities aren't enabled to meet the pressures of infrastructure right now in a growing province. And the fact that the community's able to allocate \$13 million annually and that to just maintain status quo, let alone make any improvements, they require \$25 million to be addressing the pipes and water mains and all of the critical infrastructure for a community.

And I would go back to the point of trying to quantify, at least from the minister's perspective, how he's analyzing the infrastructure needs of communities. And I respect that every community or most communities and municipalities may be looking at this in a different way or using different methodologies, but is the minister suggesting that there's not analysis done at the ministry level to have an understanding of the infrastructure needs, the deficit that's in place, and as well what's required to maintain that infrastructure?

Hon. Mr. Reiter: — As part of the work that was done in advocating for a long-term infrastructure plan, our ministry officials have done a great deal of work, you know, recognizing the infrastructure pressures that municipalities have, especially those in higher growth areas such as you're referring to. You know, they've done a lot of work in ways of looking at other things that could benefit, like best practices or dealing with asset management, those sorts of things.

I would just I guess come back to a point in a previous discussion you and I had earlier tonight. Because of varying methodologies, it's difficult to put a dollar figure on sort of what the deficit is. But I think it's just very important to realize that our government absolutely recognizes that there's a great deal of infrastructure pressures out there. And we've been addressing it sort of on several different fronts.

One is, as I mentioned, very significant is the amount of dollars that have been put into municipal infrastructure in the past few years. The second one, looking to the future as the new infrastructure program unfolds, we'll be putting a great deal of stock in what that can provide for municipalities in the province moving forward. And then the other one, as I mentioned earlier, is just the sheer dollars that have flowed to municipalities through municipal revenue sharing.

[22:15]

Mr. Wotherspoon: — Would it not make sense to be able to quantify the pressure that we're facing? Would it not aid us in our case to make that case federally for our cost-sharing program, one that's robust and meaningful? And would it not allow just smart, strong management in the growth that we're experiencing to make sure that we're making headway with these infrastructure pressures?

I just share the example of Saskatoon as one example that is putting 13 million into infrastructure, as I understand, and is losing significant ground, that the degradation of their infrastructure is occurring in a significant way. They'd have to be putting I understand \$25 million in to just maintain a status quo environment, let alone making headway as it relates to the infrastructure deficit.

So it seems to me that we have a challenge, an opportunity as a province in a growing, growing province. But for us to be up to the game of addressing that challenge, we need to understand what that challenge is and be able to then map out a program and a plan to make progress, make headway, make the improvements that were needed. So does the minister feel that the absence of that information is a problem? And is that the sort of information that he might look to improve in the future? Is that some of what will be improved through asset management into the future?

Hon. Mr. Reiter: — Improvements can always be made. I don't think that that's been an issue. I've been in a number of discussions with federal ministers on long-term infrastructure plans. You know, I've been comfortable with their response. They recognize the demands, you know. And again they've announced a program in the last federal budget.

I don't believe . . . You know, when you want to look at instances like the one you're using, there's certainly anecdotal evidence when you talk to individual municipalities and get a feel for what's going on in their particular case. But you know, as you well know, with differing methodologies, determination of when infrastructure needs to be replaced, what doesn't, you're making a lot of sort of I guess calls on how many years a particular piece of infrastructure may or may not last. You know, to sort of say you have to come up with one specific dollar amount at the end for every municipality in the province is very difficult and I'm not sure all that beneficial.

Mr. Wotherspoon: — Or even something that would allow an understanding of trends, maybe a sampling, something that would allow whether the ministry or the government to be aware whether or not its plan is effective, the resources are effective and actually making headway or if in fact we're not up to the challenge currently to be addressing that in the way that we should. So I think this is an area that could be explored much further and certainly I think it would strengthen the case of this minister and this government to meaningfully address the infrastructure in this province, something that certainly we need to do to be able to put a number and understand whether or not progress is being made or whether or not we're going in the wrong direction.

Maybe just a question as it relates to some of the municipal infrastructure that communities have as it relates to asbestos pipe. A question to the minister: has he had any concerns raised

with him as it relates to asbestos pipe? Any review that's been done by municipalities or by his ministry? We understand that in a lot of the civic infrastructure there is a lot of asbestos pipe and there's some concerns that have certainly been raised as it relates to that pipe and the state and condition of that pipe at this point in time. So I guess the question to the minister: have concerns been raised with him? Is he concerned about it, and has he conducted any reviews to ensure the protection of the public?

Hon. Mr. Reiter: — I'll just consult with my officials on that in a minute. I would just like to make a comment on your sort of preamble to that, though, on the infrastructure piece again. In the last five years, jointly federal-provincial funding for municipal infrastructure in the province has been in excess of three-quarters of \$1 billion, you know. So I would suggest to you, a significant amount of support has been put into infrastructure for municipalities in this province and we look forward to support continuing through the windup of existing programs and a new program.

To the piece on the asbestos pipe, I'll consult with my officials for a minute.

Now if I could, just to clarify, you referred to it as asbestos pipe. I'm assuming you're referring to pipe that's been wrapped in asbestos. Is that . . .

Mr. Wotherspoon: — Asbestos cement pipe, I believe is the category of pipe. And I know municipalities, it's utilized in many municipalities at one point in time, but it was certainly predominant in utilization in a community such as Regina.

Hon. Mr. Reiter: — Okay, sorry. I was just talking to our chief building inspector. He's not aware of the issues that you're referring to either. And I'm not either, I guess. Like there's been some issues around asbestos generally in public buildings through the Ministry of Labour, and you're well aware of that. But the specific issue you're getting at, I'm just not clear.

Mr. Wotherspoon: — I would urge the minister to do just a little bit of a review, if possible, and certainly I'd welcome information from that review to be provided back. But it's my understanding that a lot of the pipe under the ground in Regina to flow our water is asbestos cement pipe. And a lot of those pipes are now reaching lifespans in many cases and are in fact breaking. And so what if some of those water main breaks certainly then put at risk the entry of asbestos potentially into the water system, supplying drinking water, bathing water, for Saskatchewan people?

So you know, I think health and safety should be front and centre in every ministry and a number one concern for governments. You know, the fact that it hasn't been raised with the minister disconcerts me just a little bit. But I appreciate his interest in it here this evening and would simply urge review or actions of his ministry in a coordinated fashion with certainly Health and other ministries that are required, and with partners, to seek information to just ensure that we're able to provide the public peace of mind because there's certainly concern.

Other jurisdictions, I believe in the United States many communities have phased out the asbestos pipe that was

installed at one point in time, for health concerns. And I know that certainly it's stated that inhaling asbestos is a concern. It seems to me that ingesting asbestos would likely seem to also be a very large concern. Now I'm not a doctor, so maybe I'll leave it with the minister and would welcome any review by his ministry in a rather urgent way.

Hon. Mr. Reiter: — Certainly the whole health issue around asbestos is well-known, as you said. And you know, I know you're well aware of the actions the Ministry of Labour have taken, asbestos generally in buildings. The specific issue, the specific pipe though, I'll ask our officials to consult with their colleagues in other ministries.

Mr. Wotherspoon: — Thank you for getting that information back and whatever analysis or study that's required to ensure protection of people.

As it relates to the federal-provincial program that's been referenced, as I say, the pressures are now for communities, and those dollars aren't there. Now certainly communities are welcoming of the concept of a federal-provincial program. My question to the minister is, when can they expect dollars to start flowing to communities, and when will they have some indication as to what that program with those dollars will look like so they can undertake the planning that they require?

Hon. Mr. Reiter: — I think just a couple of points. First one, it's important to remember that in this fiscal year, the one that we're dealing with the estimates on, infrastructure generally is the projects are the ones that are . . . It's the windup of the existing federal-provincial program.

The one you're referring to will be the one that was just recently announced in the federal budget; it'll be upcoming. My understanding of it is dollars will be flowing in 2014 on that. You know, we're still waiting for more information from the federal government on that. There'll be discussions in the upcoming weeks and months. I would hope that information . . . we'll be able to make information available to municipalities, you know, in the next few months. But I think it's also important to remember that in the municipal sector, they're not generally sitting on their hands and waiting. They're in planning process. They're preparing for what they determine to be their key infrastructure projects and so that, you know, if and when the time comes that they'll be shovel ready, if you will.

Mr. Wotherspoon: — It's a time though that we certainly do require the provincial leadership. And certainly you've asserted here tonight that your government, you know, recognizes the importance of infrastructure. It's not a great time to take a pause in addressing the infrastructure pressures of Saskatchewan. So I know it sounds like some architecture of that program that's being worked through and seeking commitments with federal partners. And you know, I guess we respect that, but there's certainly an important role for the provincial government to be working with our municipalities in the meantime as well.

Does the minister anticipate any constraints being placed on those infrastructure dollars such as choosing this more costly scheme of privatization, the P3 [public-private partnership] model as sort of the only model? I guess my belief would be that what we should be doing is enabling communities to make

the decisions as to the best interests of how to go about the infrastructure pressures and not tying the hands of those communities with one model such as the P3 privatized infrastructure model.

Hon. Mr. Reiter: — I appreciate you attempting to move your debate with the Minister of Highways and Infrastructure from question period to committee with me, but I would, in response I would say first of all I don't necessarily agree with how you're positioning that argument. But there is still details that need to be worked out on the sort of the process for application of funds and how that will all develop.

I would also point out though, you mentioned in your preamble, I think you referred to it as a pause, and I certainly don't see it that way. There's projects continuing this year, as I said earlier several times, as the existing federal infrastructure, federal-provincial infrastructure program winds up. And my understanding is that dollars will flow in the new program next year, so I certainly don't see there being a pause.

[22:30]

Mr. Wotherspoon: — Has the minister had the chance to work with the city of Regina to fully understand the waste water treatment plan that they've chosen, the process that they've gone through and the project they've chosen in partnership with the federal government? And I believe this is a P3 model that they've chosen and, I believe, by large measure because of the fact that federal dollars were contingent on entering into a P3 structure.

Will the minister make a commitment that federal-provincial infrastructure programs that he's in the process of creating with the federal government, will he ensure that they don't tie the hands of communities, that communities will be offered the full range of choices as to how they go about fulfilling their infrastructure needs?

Hon. Mr. Reiter: — You know, your point on the waste water project in Regina, I would've assumed you would've known that the ministry in no way delves into that much of the minutia of individual municipalities' planning. Municipalities are in the best position for that. We're not paternalistic about it. We certainly believe that they're very capable of making their own decisions, and whatever funding model they want to use is certainly up to them as well.

Mr. Wotherspoon: — So maybe we have a point of agreement here because that's exactly my point. Municipalities should be able to analyze their circumstances, choose best value for dollar, best bang for their buck, and address their infrastructure challenges in the way that is best for their community and for their long-term needs.

The federal government in fact has tied the hands of communities and has only made federal dollars contingent to the city of Regina, as I understand, if they utilize a P3 model. That's not a common sense approach to addressing infrastructure. And as you say, it may be a paternalistic approach with municipalities to dictate what sort of model they'll be entering into.

So maybe we're on the same . . . I would suspect then with the minister, who has suggested he doesn't want to be paternalistic with our municipalities, I can expect then that there won't be hands being tied of municipalities into P3 arrangements to address infrastructure challenges. Is that correct?

Hon. Mr. Reiter: — I would be surprised if we agree on anything. But I again, you know, the details of the criteria and the parameters of the new long-term plan have yet to, the final details have yet to be unveiled. So you know, I'm not in a position to speculate. This will be discussions with the different levels of government.

So you know, I'm not going to speculate when the details haven't been . . . You're sort of asking me to take one particular component, one funding model and saying in no way, shape or form will I, you know, will that be involved. I can't do that. I don't know what the final results will be. But I certainly would come back to your example with the city of Regina and the waste water. We certainly don't get into that detailed amount of planning. That's each individual municipality's bailiwick.

Mr. Wotherspoon: — As far as moving forward, you are the minister. And I would seek providing the freedom to our municipalities and making sure we have the tools available to those municipalities to address those challenges, and when the resources come forward, to make sure that we're not tying their hands and entering them into P3 structures that they may otherwise not be choosing. And so just to be clear on that.

As far as you and I agreeing, we both are Boston Bruins fans. So we have some areas of agreement, yes.

Just moving along to, actually maybe as it relates to that waste water facility, would that be a place that the minister might potentially work with the city of Regina to just fully understand that model and make sure that this minister and the province is fully aware of potential limitations of just putting one model on the table by way of P3s? And also potentially that partner, the city of Regina may be willing as well then to share all their planning documents around costing and some of the risks and analysis they've gone into. Would the minister see this as an opportunity to learn from, which is a fairly significant and important project to the people of Regina, in learning from this process and apply that to infrastructure moving forward?

Hon. Mr. Reiter: — That waste water plant in Regina as I said, certainly that's a city of Regina initiative. They're in the best position to determine if they want to proceed with that project, and if so, in what manner. I think I have no intention of interjecting myself into that.

You know, you talk about doing sort of the comparison with P3s, which it seems to me you've sort of prejudged how effective or not effective they are in all instances. I would suggest to you there's lots of P3 expertise in government right now. You know, you've had discussions with the Minister of Highways and Infrastructure on the SaskBuilds progress moving forward. So the short answer is no, I won't be interjecting myself into . . . That's a city project, not a provincial project.

Mr. Wotherspoon: — The minister continues to sort of

misunderstand the questions. The point is we have a big project, a lot of analysis that's done at the city level, that certainly there is a partner for which this minister could go in and potentially, with the willingness of the city, to learn a little bit of that process they've entered into and some of the costs.

But I'll move along here. What I'm looking for is an open-minded approach to dealing with our infrastructure, analyzing things in the most effective, efficient way we can go at addressing these challenges, and learning from the opportunities we have before us. And I'm not necessarily seeing that.

As it relates to reassessment of property valuations, has the minister taken a position of support to shifting this to a more frequent occurrence, as in on an annual basis?

Hon. Mr. Reiter: — You know, we're certainly always open to looking at ways to be more efficient. There's a school of thought out there that possibly moving that to, you know, a more frequent evaluation cycle would be beneficial. You know, our folks, our ministry folks have looked at that, and there's some pros and cons to it. You know, certainly I'd be open to a discussion on it. There's nothing imminent planned though.

Mr. Wotherspoon: — It's been certainly a call from quite a few in the public, also some organizations. I think of folks like the realtors. There seems to be certainly some merit in moving to a more regular reassessment, and certainly that may mitigate some of the impacts that certainly we'll be experiencing this year. Does the minister at least see the merit in potentially setting this as a priority and looking at plans to engage in a more frequent reassessment?

Hon. Mr. Reiter: — You know, as I mentioned during your last question, certainly I'm open to having that discussion. And I have had the discussion with, you mentioned the realtors. At times they've certainly raised that with me. I've always looked for ways to do things better. This is one of those instances that there is pros and cons and, you know, the ministry officials have looked at this matter in the past. And you know, I think we'll continue to consider it. It's an important issue.

I'm just going to ask John Edwards from the ministry to sort of fill you in on some detail of work that's been done in the past by the ministry on it, including looking at other jurisdictions and sort of what their experiences have been in, just keeping in mind that, like I said, that we always look for ways to do things better. And I'm open to that discussion. Nothing's sort of imminent as far as whether we're going to change or not change, but I'm certainly open to the discussion. John.

Mr. Edwards: — Thank you, Mr. Minister. So the issue is the frequency of revaluation, or the length of the revaluation cycle. Currently our cycle is on a four-year time frame, and it has been on that basis since revaluation began on a regular basis in 1997. If you look across the country, what you see are revaluation cycles of various lengths. Some provinces have been and are now on a one-year cycle; others, two, three, or even four. The experience with those cycles varies.

One of the most dramatic changes was in Ontario where they tried to go to a very short cycle. And they were basically unable

to deliver and they ended up reverting back to a four-year cycle. There are pros and cons to a shorter revaluation cycle. On the pro side, yes, more frequent valuations means that the amounts of shifts in assessment numbers and property tax is somewhat smaller because you're dealing with changes in value over a shorter period of time. And that would be a plus. The ministry and SAMA [Saskatchewan Assessment Management Agency] have taken some steps to try and achieve those benefits by moving the base date up by six months for this revaluation in order to try and accomplish that.

On the other hand, some of the jurisdictions with short revaluation cycles, what's happened is that it's introduced a degree of instability into their assessment and tax policies. In BC [British Columbia] they've ended up having to give a choice of which assessment do you want to use, last year or this year, because of the fluctuations. In some jurisdictions the result has been more frequent assessment appeals because of the variation in assessments. There would clearly be, if you look at our assessment system, both SAMA and the cities that do their own assessments, an increase in cost in the actual valuation process. I think it's no secret that our assessors are doing their best to come up with numbers within the time frame that they have, but it has been touch and go.

Right now there's a, shall we say, a labour market shortage in the assessment area. We constantly see vacancies cropping up in the Assessment Management Agency and some of the cities where, as a result of the limited supply of assessment appraisers, there is some operational challenges there as well.

So as the minister indicated, some pros and cons. The latest look at this was actually done by SAMA in conjunction with the ministry in 2009, and the picture that emerged was a mixture of views. On the one hand, some organizations did not support going to a shorter cycle. On the other hand, some, like the realtors in the cities of Regina and Saskatoon, expressed positions in favour, although you do get mixed views even there where you talk to some of the technical people.

Mr. Wotherspoon: — As it relates to the discussion that I believe has been brought forward to the minister by some municipalities as it relates to some municipalities urging consideration of new revenue tools, I look to the minister to share with the Assembly or with this committee what revenue tools have been suggested, new revenue tools have been suggested by municipalities, and are any new revenue tools for municipalities a consideration of your government?

[22:45]

Hon. Mr. Reiter: — I think your question was sort of what possible approaches have come to me from municipalities on alternative sources of revenue. We've just sort of listed any that we can think of that have been discussed recently. In at least one of these cases, I don't believe I actually was ever approached by it, but it had gotten some attention in the media. So I just, in an effort not to miss anything, I'm going to just try and cover all of them if I could.

I believe there had been some media attention paid to a request from a councillor from a large municipality on considering authority for municipalities to levy some sort of gas tax. Now I

don't think that was ever formally brought to government, but I would think that in that instance you already have an issue at the federal level where there is gas tax sharing with municipalities already. So you know, I would have a great deal of concern with that sort of approach and haven't heard anything about it recently.

There was a request to consider a hotel tax. The issue that I take with a hotel tax is, you know, after discussions with hotel association, in many instances they already voluntarily have a destination marketing fee that they levy, used sort of to attempt to attract more tourists. And you know, in a lot of instances those work very well.

So I, you know, this government I think has helped the economy a great deal by being very cautious with tax increases and by keeping taxes as low as possible. You know, I'd be very concerned about looking at some form of new tax like that.

There was also, I think it was raised . . . And again, forgive me; I don't remember whether it was ever formally brought up or not. But there had been some musing that maybe, I think it was referred to as a penny tax, which would be sort of giving municipalities the authority to add an extra point on the PST. I think again I would have a great deal of concern with that, and I think frankly that issue has been addressed already.

We were speaking earlier about municipal revenue sharing. And the fact that the level of the pool is tied to the same dollar amount as one point on the PST I think recognizes that how the economy is going certainly has a great deal of impact on revenue sharing for municipalities in the province.

Mr. Wotherspoon: — Thank you for providing your responses. If anything, it highlights to me the pressures that communities are facing, the fact that they're highlighting the demand and pressures on revenues, the debts that are certainly increasing in a rather alarming way in many communities.

And certainly that's where I think the provincial government, the federal government that has the lion's share of proceeds that are generated out of a strong economy, need to make sure they have a meaningful program to reinvest back into those communities. And certainly there's been an achievement made and noted as it relates to the operating grant, something I recognize as a positive thing as well. But we really do need to work towards that infrastructure program that has that same sort of correlation to something predictable and something more meaningful to make sure our municipalities can address those challenges.

I have a question for the minister as it relates to Bill 90 that's been recently introduced. Has the minister consulted thoroughly with SUMA [Saskatchewan Urban Municipalities Association] and SARM [Saskatchewan Association of Rural Municipalities] prior to the introduction of that legislation?

Hon. Mr. Reiter: — The overall issue that drove the bill, the concern that we wish to ensure, that there's some form of regional planning in areas of high growth. I've had discussions with both SUMA and SARM on that matter. My deputy has had written correspondence with both SUMA and SARM on the matter.

So the short answer is yes; there's been consultation. You know, there wasn't consultation to the extent though of sharing proposed wording of the bill or anything, recognition of the fact that it is a budget bill.

Mr. Wotherspoon: — We can follow up. I'm just cognizant of the time here tonight, so we can follow up certainly on that front. But it's a bill with significant implications, and certainly we want to make sure we have the stakeholders whom are impacted involved in that discussion.

As it relates to the Global Transportation Hub, has the minister, as it relates to rural municipalities or urban municipalities, had any concerns related to him as it relates to the function of the hub or the new legislation that's been brought forward?

Hon. Mr. Reiter: — You know, as you're aware, the Global Transportation Hub isn't in my file. I'm not clear I guess on the question. I . . .

Mr. Wotherspoon: — The hub itself of course is . . . I think of two municipalities anyways — certainly the city of Regina and then also the RM of Sherwood. I don't know if other municipalities have perspectives as well, but certainly those two municipalities interface very closely with the hub. I'm just wondering, as the minister for Municipal Affairs, if he's had concerns, challenges raised with him as it relates to the legislation or the operation of the hub in any fashion by any of the municipalities?

Hon. Mr. Reiter: — Okay. If I could . . . I'm sorry, I'm not clear if you're referring to the GTH [Global Transportation Hub] bill or to *The Planning and Development Act* bill?

Mr. Wotherspoon: — The GTH legislation. We'll follow up on 90 at another point, but the GTH legislation or the GTH itself in its operation for the past few years.

Hon. Mr. Reiter: — I haven't had discussions with any municipality on that bill, you know. That would be under the minister in charge of the GTH.

Mr. Wotherspoon: — And what about with the municipalities themselves? Have they raised with you any concerns, any improvements that they're desiring as it relates to the Global Transportation Hub?

Hon. Mr. Reiter: — Again as I said, on that bill I haven't had any discussions with any municipality on it whatsoever.

Mr. Wotherspoon: — I know you have a long history with experience in our municipal sector, and I recognize great value that's been provided by our rural municipalities across the province. I recognize that there is pressure coming from certainly the chamber of commerce as it related to a call for consideration, as it relates to . . . I don't know what their . . . how they characterize it, whether there was amalgamation or consolidation of those RMs. Is that call from the chamber of commerce something that you as a minister in government are considering?

Hon. Mr. Reiter: — Yes. I just wanted to speak to my officials to refresh my memory, if they could, on specifically what the

call from the chamber of commerce was at the time. As we recall, it was, you know, calling for the provincial government to institute some form of sort of large-scale forced amalgamation of municipalities.

At the time that issue came up, I believe it was raised in the House, and the Premier made it very clear that it was not the direction our government was moving. And in fact my predecessor, the former minister of Municipal Affairs, I believe sent a letter to all municipalities in the province reiterating that. So that certainly isn't the direction that this government's going to move. That was, as you are aware, was something the previous government was considering. But that's not the direction this government's going.

[23:00]

Mr. Wotherspoon: — That's certainly not something I'd be advocating. I believe we get great value from our rural municipal leaders.

What I would be interested in is what's this minister doing to facilitate rural municipalities that may be in a position to, with the willingness of a village or a hamlet that may have . . . no longer have the size or have recognized the capacity that they maybe no longer have to govern their affairs in the way that they would want to, where an RM may be in the best position to take over that village or hamlet for example, what sort of structure is put in place? Or what sort of supports are there to facilitate that process and to support an RM? And I know there's sometimes considerations as it relates to whether it's a landfill or liabilities. And some of these maybe are best addressed with some support by your ministry.

Hon. Mr. Reiter: — There's probably two primary ways that, you know, we assist in that. One is through ministry staff, municipal advisers, and also community planning staff that will act in an advisory role and assist wherever they can with municipalities with any challenges arriving from that.

And the second one is a program called Communities in Transition, which is, it's actually . . . SARM has volunteered that, has taken . . . It's a percentage of the rural revenue-sharing pool. And it's used for instances like you were speaking of where there might be an infrastructure challenge with the small urban, if you will, the hamlet that's a concern to the rural municipality. They can make application for, and there will be some financial support to help deal with those infrastructure challenges.

Mr. Wotherspoon: — Do you see a fair amount of that activity right now in the province?

Hon. Mr. Reiter: — I don't believe there has been much lately. You know, it's sort of sporadic and periodic.

Mr. Wotherspoon: — I'm just recognizing the time. I believe we were sitting until 11 o'clock tonight, so we're just a little bit past that. Certainly I'm prepared to go later here this evening if we want. But I think we do have some scheduled time that's coming back. So you know, I'd also be prepared to adjourn for this evening and come back together at another time. And at this time I'd think, if that's the will of the committee . . . I'm

fine with either scenario, but if that's the will of the committee, I'd like to thank the minister and officials for their time and answers here tonight.

Hon. Mr. Reiter: — If I could, Mr. Chair, thank you, Mr. Wotherspoon, for your questions. And I also would like to thank the committee members for their time and also all our ministry officials for being here at this late hour after an already long day. I certainly appreciate all the time that they put in and their efforts. So thank you, Mr. Chair.

The Chair: — Thank you, Minister Reiter and the officials, and especially to our committee for your endurance. The time is 11:05, and we will adjourn this committee until 7 p.m. tomorrow, Tuesday, April 16th, 2013. Thank you and good night.

[The committee adjourned at 23:05.]