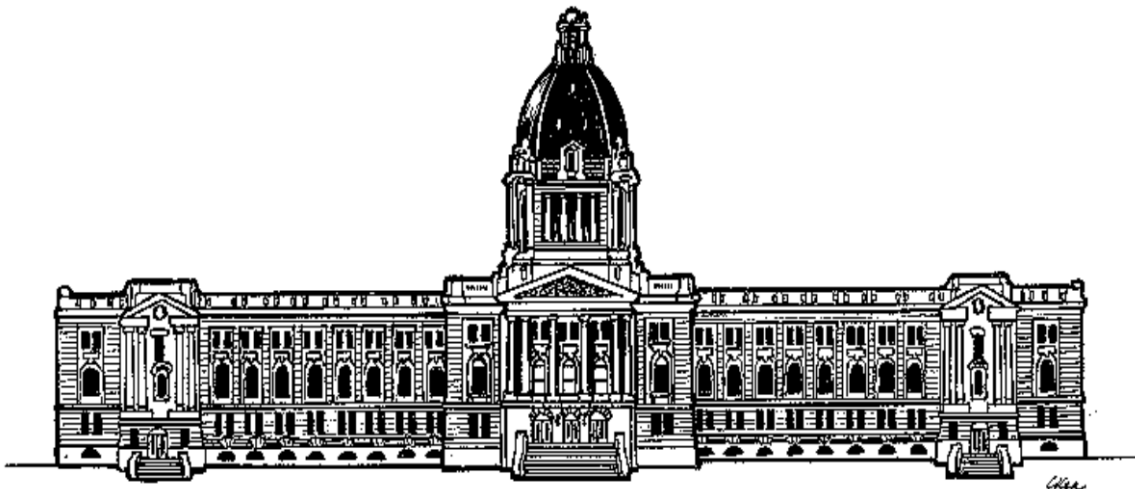




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

Hansard Verbatim Report

No. 31 – April 16, 2014



Legislative Assembly of Saskatchewan

Twenty-Seventh Legislature

**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. Russ Marchuk
Regina Douglas Park

Mr. Kevin Phillips
Melfort

Mr. Warren Steinley
Regina Walsh Acres

Mr. Corey Tochor
Saskatoon Eastview

[The committee met at 14:59.]

The Chair: — Well good afternoon and welcome to the Standing Committee on Intergovernmental Affairs and Justice. We are here today in consideration of estimates of Government Relations, estimates and supplementary estimates. I welcome the committee. I'll welcome Minister Reiter and his officials.

My name is Warren Michelson. I am the Chair of the committee, along with the other committee members: Mr. Doyle Vermette is the Deputy Chair, Yogi Huyghebaert, Russ Marchuk, Kevin Phillips, Warren Steinley, and Corey Tochor. Sitting in for Kevin Phillips today is Darryl Hickie.

**General Revenue Fund
Government Relations
Vote 30**

Subvote (GR01)

The Chair: — So welcome again, Mr. Minister. Did you want to have some opening remarks, please?

Hon. Mr. Reiter: — Thanks, Mr. Chair. I had read some opening remarks into the record. This is the third time we've had the opportunity to meet. So if you're okay with that, I just have some officials I'll introduce, and we can then jump right into the questions.

The Chair: — That would be fine. Please proceed.

Hon. Mr. Reiter: — I have with me at the front table, to my right, I have our deputy minister, Al Hilton. To my left, I have our assistant deputy minister, Karen Lautsch. At the table behind me, I have my chief of staff, Angela Currie; assistant deputy minister, Keith Comstock; and also from the ministry, Jeff Markewich and James Froh. There's a few other officials here as well. If we need them to enter into answering any of the questions, we'll just get them to introduce themselves at that time.

And I'd be happy to be entertain any questions, Mr. Chair.

The Chair: — Thank you, Minister Reiter, and welcome to your officials. I would just remind the officials if they would, are called upon to answer some questions, please identify themselves for the purpose of Hansard.

We'll open the floor for questions. Mr. Vermette, you have some questions?

Mr. Vermette: — Thank you, Mr. Chair, and to the minister and your officials. I know some of these questions might have been asked, but I want to get some clarification if I can. We've had a little discussion. Some of my colleagues have asked prior. You've had an opportunity to answer some of these questions and give direction I guess government is going and your plan, and the capacity when I look at I guess the northern area of the province.

And as critic for Northern Affairs, and your ministry works with and, you know, you're the Minister for Northern Affairs,

I'm just going to ask, what is the strategy that you have and have you looked at when we look at economic development, development of the North? And what is your strategy and your ministry's strategy to work with northern leaders, municipal leaders? But I also could take that further with First Nations and Métis, and I'll come back to that. But if you could just answer that, what your strategy is for the North and working with the municipalities in northern Saskatchewan.

Hon. Mr. Reiter: — Your question was kind of, you know, very broad there, covered, touched on a number of areas. So some of the ones I think I would just highlight, you know, first of all . . . I'll come back to your question on the economy in a few minutes, but first of all, you know, I'm paraphrasing but you asked something I think about sort of our relationship in meetings with northern leaders, that sort of thing.

We have a very good relationship with, for example, the New North. You know, myself and our officials frequently meet with the leaders there, have a good collaborative relationship. We offer consultation and advisory services to northern municipalities. Also for unincorporated communities in the North, our ministry acts as mayor and council there as well, so has a very close sort of hands-on relationship.

There's, of course, we have a good relationship as well with the Northern Municipal Trust Account Board. And on that, you know, when I think about spending in the North, I think I mentioned this in one of the previous two times that we had met in estimates, but when I look at what's happened with municipal revenue sharing, for instance, there was two years ago, I guess last year actually, when sort of the whole shape of the total revenue-sharing pool, including municipalities across the province, when it was looked at and a new formula was considered, and how the pool would be divided up. There's a great deal of thought put into that.

And the northern municipalities, in recognition of the fact that there's some challenges for municipalities in the North that a number of municipalities in the South don't face . . . For instance just because of distance in many cases from market there's extra costs incurred, as you well know. Also a number of municipalities in the North tend to not have the same opportunity for a tax base because frequently the commercial, industrial tax base isn't there. So those are just a couple of the examples. We considered that. We put a great deal of thought into it.

And percentage-wise, the increase in revenue sharing to northern municipalities was significantly higher than in the rest of the province, although all municipalities in the province last year went up significantly. Now because of accounting changes, as I know you're aware as well, that total pool has dropped slightly this year, but we expect that'll continue to rise in the future. But just to sort of flesh that out and give you some numbers to show you the kind of impact that had in the North, in 2007 the northern share of the revenue-sharing pool was \$10 million. This year it's going to be over \$19 million. So it's very substantial.

On your question about the economy, I'm going to ask our deputy minister, Al Hilton, in just a minute to talk about a, sort

of a very significant piece that our ministry deals with in the North. But before I do, I'd just mention that again, as happens sometimes in government, there's some overlap between ministries.

And so a number of things that happen in regards to the economy in the North fall under the Ministry of the Economy. But certainly some fall under this ministry as well. And one of the significant things that we do do in this ministry is we administer the mining surface lease agreements in the North, which have a big impact. And I'm just going to get Al to give you some detail on that now.

Mr. Hilton: — Al Hilton. I just perhaps would direct the committee's attention to the ministry's 2014-15 plan which is available on our website, sir. And in there, there's a number of key actions I think that relate to your question and can follow up to the minister's comments.

So we negotiate and administer mine surface lease agreements. And they are essentially about enabling and encouraging maximum training, employment, and business opportunities for northerners. And we report every year on the northern socio-economic benefits of the mining industry in the North, and that report is available publicly.

So what the report reveals is that over the years we've managed to get to a point where — and don't quote me on the figure — but slightly more than 50 per cent of the people working in the mining industry in the North are northerners. And there has been a host of business development opportunities that have been created over time that have led to some successful businesses. And the obvious example of sort of business success, if you will, might be, you know, Kitsaki Management and the positive business development opportunities that have been developed by the Lac La Ronge First Nation. And by reporting on this we're hopefully raising awareness of the benefits of northern mining, and raising awareness of the opportunities for northerners, particularly young northerners, about the opportunities that exist in the North.

I would identify a couple of other things that are in the ministry's plan that speak generally to First Nations and Métis folks but not specifically to the North. So one of the things that we do as a ministry is we work with stakeholders and other ministries to try to ensure that there's an integrated approach to achieving the government's objectives around improving the economic and social outcomes of First Nations and Métis people in this province. That was an important dimension of the joint task force on improving employment and educational outcomes for First Nations people, and it's an important element of the government's growth agenda. So as I think I mentioned at the last committee meeting, we spent a lot of time working across ministry on those sorts of things.

And the other thing that the ministry does which often doesn't get much recognition, but I think it's important and it's not really related to the economy directly, is with respect to First Nations, both in the North and in the South. We have delivered the province's provincial disaster assistance program on-reserve in much the same way as we do to non-First Nation communities.

We've also provided two First Nation communities on-reserve emergency response services in a number of different situations, and we also assist and provide training in order to increase the capacity of First Nation communities to prepare and respond to emergencies. So it's not directly related to the economy, but it's an important part of our business that I thought I would identify. So thank you.

[15:15]

Mr. Vermette: — I'm going to come back to the emergency response and training you brought into First Nations communities you talked about. I'm going to come back to that and it's good that you shared that.

When you talk about the targets and I guess the mining industry and those that are doing business in the North and your ministry oversees and monitors, you're saying the numbers that, you know, you don't want to be quoted on it, but you figured 50 per cent are hiring northerners, Aboriginal people in northern Saskatchewan. So how do you monitor that? And how do you ensure that the industry is moving to make sure they can hit that target? And at what point do we ensure to say to the industry, you have to hit this target? I'm just curious how you guys determine that, how your ministry works with the other ministries to ensure that this is happening.

Mr. Hilton: — The companies report to us on employment numbers, so we have a fairly good way of tracking sort of the number of northerners or the number of individuals from communities that are included impacted in our annual reporting.

The other thing that we have that you will be aware of is we support a program called the environmental quality committee program, which is a committee which is made up of representatives of all of the impacted northern communities. And I don't know off the top of my head how many communities that is, but there's probably 30 to 40, and they each have a representative on this committee.

And this committee meets regularly with mining companies and with government. They go out to the sites. They talk to employees, and they identify concerns and issues that they have with the industry. And a big part of what their interests are relate to the economic opportunities created by the industry, both from a job perspective as well as from a business development perspective.

So the community members themselves are very active and engaged, ensuring that we do what we're supposed to do and that companies respect the commitments that they make through these lease agreements. We have never identified a hard target. Like we don't say by 2016 you will have 70 per cent, because we haven't felt that that would be useful. Because there's a whole number of factors that impact on, you know, your ability to meet that kind of target. So we haven't established our targets. Never have. The program has been around for — again I'm guessing — I think in excess of 20 years. I hope that helps a bit.

Mr. Vermette: — Saying that, and I want to be clear, that it's not going to be 70 per cent or a number you're looking at, so whether it's . . . And I mean as Northern Affairs and the

ministry is supposed to, you know, lobby, work with the other ministries on behalf of northern people, and when we have agreements and opportunities, whether it's post-secondary training, how could you work and how does the ministry work with the other, you know, your ministry that, you know, you work with help to achieve this? What ways can you do that?

And are there partnerships where you're saying we need to, for the economics, we need to make sure that we're hitting those targets? But also what partnerships are doing it? And how does your ministry advocate to those other ministries to ensure that, you know, the resources are going to the North to try to achieve those targets? So I'd like to see what your plan is for that, and is there a plan, and if not, why there isn't a plan.

Hon. Mr. Reiter: — You know, to your question about sort of what we do to facilitate co-operation with other ministries and those sorts of things, just had a discussion with our officials and it's very wide ranging. In fact I was just smiling here because their officials were discussing a number of committees that the different officials here in our ministry sit on with officials from other ministries involving things that have an impact in the North.

I'm going to get Al to just run through a few of those, but just first of all I'd like to give you an example of one program that I, you know, I'm very excited about and I think has shown results and will continue to show results. And this isn't just co-operation amongst ministries; this is co-operation between federal and provincial government as well. And it's a program that you'd be familiar with as northern career quest.

Since January of 2013, there's been over 740 individuals that have used that service and about 73 per cent of them have secured employment. There's still 160 that are in training. The outcomes, we're very excited about. And it was a joint program, as I said, with industry. And we just think it's paying huge results. And it's just sort of one tool that we can use that can show benefits for the North. Al's just going to run through some other examples for you right now.

Mr. Hilton: — And if I am providing too much detail or going on for too long, feel free to interrupt me, okay? But I'll try and be brief but thorough. So in addition to the mine surface lease agreements I talked about, we have human resource development agreements, and those are administered by the Ministry of the Economy. And those are agreements that are entered into around employment and training opportunities.

There's also a mechanism called the multi-party training plan, and that brings together the mining industry, senior governments, Aboriginal organizations, and training institutions to coordinate training courses that prepare northerners for positions in northern mining operations. So that's another instrument that we participate in that speaks to your question.

Then we have something called the northern labour market committee, and that's a regional workplace planning table for northern Saskatchewan that consists again of senior government representatives, including representatives of ours, Aboriginal training administrators, training institutions, and industry. And northern leaders also are represented and have a voice at that table.

There's a program called the community vitality monitoring partnership process that we sort of support and lead. And the program research is essentially indicators of community vitality, which includes things like public health, earning power, family dynamics, the environment, and more. And the program is funded by industry with input from Government Relations, our northern engagement branch, as well as officials from the health region.

We have an instrument that we work with which is called the northern human services partnership, and that's one of 10 regional intersectoral committees. One of them works in the North. These committees are funded by the province, and it promotes collaboration to build community capacity to work towards sort of the betterment of human services in northern communities.

We have something called the Saskatchewan Mineral Exploration and Government Advisory Committee, which is comprised of representatives from the mining and exploration companies and from a variety of government agencies including Environment and including Government Relations.

So I could go on and on and on, but there's a set of instruments that we use that speak to northern economic and social development that we participate in as a ministry with other ministries and other stakeholders, and many of these have a rich and honourable tradition and have been around for again 20, 25 years.

Mr. Vermette: — And I guess why I ask is you'll have some people who work in northern Saskatchewan or individuals who live in northern Saskatchewan, sometimes are feeling like they're . . . and this is how they feel and I'm expressing their concerns, and that's why I'm bringing it up in here and seeing how the ministry works with the industry and works with other ministries, but actually feel like they're not getting their fair share of opportunities to get into employment, being it's with the regional college. And I'll go a little further than that.

And I don't know if you're, if there's any new things that you can say to us that are in the budget that will help. I think a college of Northlands College do a great work with working, and they do. They do an excellent job trying to train individuals, get them their, you know, their . . . I guess in all areas. We look at literacy. We look at getting them to a proper grade, of graduation grade, of grade 12, then moving into post-secondary, moving into jobs. And those partnerships are very positive.

Where do you see . . . Is there anything new that you know that's going on or any discussions, any way that your ministry can work with those agencies to continue, anything new and exciting? And I mean that's what we're always looking at. Northerners are asking, what's going to be different and what's changing? Is there anything that your ministry can say is moving in a positive way that you're working with any of the other ministries or industry? Any plans for the North in, you know, with the resources, and with your ministry advocating for northern Saskatchewan and people in the North?

[15:30]

Hon. Mr. Reiter: — Yes, absolutely. You know, at first blush,

the first two things that popped into my mind were, which I already spoke to, the northern career quest, which I think is very encouraging.

And the second thing that I think is very significant is you talk about job creation. I think it's very important that we always think of that sort of hand in hand with Education. And this government has significantly increased support for adult basic education, and I think that's going to be beneficial obviously across the province, but I think that's going to have huge benefits for people in the North.

You know, as we move forward with this, as I've mentioned earlier, so many things are cross-ministry because things that are helpful, like adult basic education to the North, it's not just the North it will help, but across the province as well.

But, you know, I think as far as job creation, the best thing we can do as a government is take all the . . . Certainly some things in the economy are beyond a government's control. You know, they're worldwide pressures. But you know, we've borne up very well over the last number of years when the rest of the world has had some economic turmoil. Our economic indicators have been very strong. And I think the, sort of, the best situation, whether it be for people in the North or anywhere in the province, is if we have a strong economy and we have a low unemployment rate. And there's always more to do. We can always do better, but certainly I think we're moving in the right direction.

Mr. Vermette: — Well I asked about this earlier. I talked about trappers and trying to work forward in a positive way. And that's going to happen. We know they're going to contact your ministry and work in a positive way. And I said I would bring, you know, files or individuals contacted with your ministry to try to work and resolve some of the situations or help them move their projects with other ministries. And I know you've said you would take to that, and I appreciate that.

When I think about that, I also think about the commercial fisherman industry overall. And I look at northern Saskatchewan, and it's about economics. I realize that. But also we talk about training and giving families the opportunity for good-paying jobs to take care of their family, to stay in the North and all that stuff. And that's important, I know, to the leadership in northern Saskatchewan. I know that's important to my children, to my grandchildren who live there and want to stay in northern Saskatchewan.

When we look at the different areas . . . And I'm trying to find new ways, and ways that the industry can develop its economic in northern Saskatchewan. You look at the resources we have. It's endless, the opportunity, but we have to make sure that we have, you know, industry, government, our municipal powers to be in New North, the training industries — everybody at the table partnering to make sure northern Saskatchewan's getting its fair share, so the Saskatchewan people know that, yes, we have to work together. And the North is willing to work together. We have the resources, and I know that's very clear. And that's why I'm asking some of these questions to understand where we can advise individuals to go.

And I think about, for instance, you talk about monitoring the

numbers, making sure there is opportunity for northern people, Aboriginal, the NAD [northern administration district] line, that protection, making sure . . . You talked about, you know, northern career quest and I think actually there — and I'm going to check this out and maybe you know this — I know they have partners and people who sit at the table with them. But is it strictly residents that live within the NAD line can apply to northern quest, or is it open to other areas of the province for them to apply for that funding?

And the stats you talked about, those numbers used, are you aware of that? Or maybe you don't know; maybe you can ask that. I don't know. But anyway, if you could answer that one because you mentioned it and I think it is doing a positive thing. But I just want to see if that's covering that?

Hon. Mr. Reiter: — The northern career quest, their website I think indicates that . . . Well I'll just read this part to you. It says:

The Northern Career Quest Mining Project will run January 2013 to April 2015. The mandate of the project is to provide training leading directly to long-term . . . employment in the Mining sector, for Aboriginal people living in Northern Saskatchewan.

Proposals will be ongoing and dealt with on an individual basis. Industry involvement must be front and center. Industry identifies skill shortage and commits to hiring. Industry will . . . be the primary selector of clients.

So that indicates to me, I believe, to your question, I'm assuming based on the wording here that it would be for individuals living in the North, which you were asking. Our officials will follow up though and clarify, and we'll follow up with you just to confirm that.

But you know, I would just add on that that you know clearly where it's targeted, where the employers are would be in the North, which I would assume then just because of proximity, right? The vast majority of the positions would then be filled by residents of the North. You know, just to give you an idea some of the companies that are involved, their employers and their subcontractors, there's Cameco and Areva, Boart Longyear, Mistick Management, Prince Albert Pulp. SaskPower's involved, Pinehouse Business North, AN Construction — there's a number of businesses, companies situated there that are involved in this program.

Mr. Vermette: — Do you know is there any ministries within the province of Saskatchewan that partners and puts dollars into it? And do you know what those dollars amount are?

Hon. Mr. Reiter: — Now that program, the involvement from the provincial perspective was from the Ministry of the Economy, but certainly I'll attempt to answer the questions as best I can.

Your question was whether or not there was some provincial investment in that. Now my understanding is there was four and a half million dollars, 1.5 million which is directly from the Ministry of the Economy for income support, and about \$3 million from Northlands College. And there was a federal

investment as well of \$7.9 million. So as you can see, there was substantial financial resources put into it.

Mr. Vermette: — So at the end of the day, like you refer to . . . And I know you gave me some different numbers, and I know different committees work together in a positive way. And I realize that there's, in northern Saskatchewan we have people who are willing to come to the table to make sure, trying to assist industry, I guess, the colleges and everyone else whether, you know, to move the economy in a positive way for training and everything else. And we know that those partners . . . Whose role is it and is there anybody's role, you know . . .

And your deputy minister talked about the different committees. How do you, and if any individual out there listening or wanted to ask, how do we see if these committees and what they're doing, how do you monitor that they're successful? Is there any tool that we have to say yes, this is successful by hiring, by some of the outcomes? Is there any way, any information your ministry gets to know that those groups are, you know, very effective with getting jobs for northern people, Aboriginal people, are hitting the targets?

[15:45]

Hon. Mr. Reiter: — So again that question is sort of far reaching — right? — because it covers many committees and many areas of government, so it would depend on which committee you're speaking about. And I'll just give you a couple examples. But certainly everything here is sort of in the public purview.

To give you an example, what I was speaking about earlier, the mineral surface lease agreements, there's a northern socio-economic benefit summary that's available and spells out the sort of questions you were asking. It's actually on the Government Relations website under northern engagement. All the entire summary is available there to the general public. They can see that.

There's other examples. I mentioned earlier about adult basic education. Certainly that ministry from time to time provides sort of outcomes and success rates. I know those were widely reported when we increased funding substantially to adult basic education.

You know, StatsCan, we look at that. They do a labour market survey that sort of speaks to different areas and, you know, I think those for instance show that we are making progress. Just to give you an idea, the off-reserve Aboriginal unemployment rate of 11.7 per cent in March 2014 is down from 12.2 per cent in March last year. The off-reserve Aboriginal youth unemployment rate is down. There's a number of indicators that, while I still obviously would like to see them improve substantially yet, I think we're making progress.

Mr. Vermette: — And I guess why I'm asking, at the end of the day, people ask the questions about how do they see . . . And if they are not seeing Aboriginal people, northern people getting the jobs that . . . You know, we talk about government and the economy, and it's going well. And sometimes northern Saskatchewan — and I realize that there's different reasons why we might be impacted in the North, and some people are

frustrated about job opportunities — they don't see the opportunities that maybe there is in some of the southern communities that benefit. And that's great. But then also what they're trying to and what I've heard is, how do we work with your ministry?

And as far as I'm concerned, Northern Affairs, your ministry has such a crucial role. It was very important under the previous administration, which targeted a minister that was responsible, had that ministry under him and a lot of different resources, and felt that that was a direction they wanted to go.

So having said that, I'm trying to in a positive way continue and will continue try to work with your ministry that you're responsible for, Northern Affairs, to work with. And I know, and I want to be clear, you've said that you're willing to do that. And I want to encourage, and I'm going to be encouraging, you know, the players out there to make sure we utilize your ministry to advocate with other ministries when they're trying to get, whether it's extra funding for the Gary Tinker Federation, for Northlands College, for all the different things and the partnerships that are going on. I want to encourage, and say that.

I think it's crucial that your ministry could play that liaison or partnership within the industry and within the ministries and our communities. And I see that role as Northern Affairs and being the critic. That's why I think it's crucial.

And it takes me back to thinking about like even a procurement policy. And I don't know, and I'll tell you, I'm going to ask you about, what is the current procurement policy government has? Or is there one where you could develop one where there's a procurement policy that would help northern Saskatchewan residents, whether they're in business to make sure that they're getting an opportunity to bid on contracts, an opportunity to be at the table taking part in the economy when there are provisions up there, whether it's with government or industry? So that's kind of the area I'm looking at, and maybe you can give us some direction what the government's procurement policy is.

Hon. Mr. Reiter: — Just a couple of points first, and I'll get to that question in just a minute. I'll talk to my officials. But to your point about using the ministry as a contact point for people, you know, wanting to access different programs, our folks would be happy to sort of help facilitate, to point folks in the right direction for any inquiries they have about programs. That's not unusual in any ministry. Certainly if there's programs that our folks, our officials can help people access, they'll point them in the right direction.

Your first point about the previous minister though . . . I'm sorry, can you clarify what your point was there?

Mr. Vermette: — What was that? I didn't understand what you're asking.

Hon. Mr. Reiter: — At the start of your question, when you were prefacing it, you made some comment about previous programs and the previous minister, and I wasn't clear what your point was there.

Mr. Vermette: — Well I guess what I'm referring to is there used to be a minister that was dedicated to Northern Affairs. That's what his role was, and the ministry was there. Now we have a minister, with yourself, is responsible for Northern Affairs, and that's what I was referring to. There was a difference.

Hon. Mr. Reiter: — Right.

Mr. Vermette: — And where that person, individual, had the ministry and had the minister at the table. I realize now we can work with your ministry and hoping and demanding that someone's banging at the cabinet table which, you know, I assume is what you're doing, is what you're supposed to do. And that's why I was saying, it's important that we work with you to assist northern people and industry, the partners, northern leaders with being at the table, making sure their concerns are heard. And I realize they work with the ministries, but I think it gives northerners an opportunity. And at one time I think it was probably a little stronger.

We'll see how it works here, you know, working with your ministry. And I encourage people in northern Saskatchewan to work in a positive way, and that's what I'm trying to say. So I see there is a difference, and maybe I'm wrong, but from what I've heard there was definitely a difference in the way the current administration operates Northern Affairs versus the previous. So that's what I was referring to, Mr. Minister.

Hon. Mr. Reiter: — Certainly. As you're aware, governments from time to time, ministry structures change, under the previous government as well. But you know, as you know, I take my role as Minister Responsible for First Nations, Métis and Northern Affairs very seriously. So I'll just consult with our officials, and we'll answer your question about procurement.

To your question on procurement, you know, generally government procurement's handled by the Ministry of Government Services. But then there's some, you know . . . Depending on the ministry, it's fairly complex. So you know, if there's something specific that you'd need or want, we'll certainly endeavour to follow up with you or try to answer it today if we could.

But I'm getting the impression I think sort of from the tone of your questioning that I think you're asking more, just like trying to understand if improvements are being made overall for procurement in the North. Because obviously the more that happens there, the bigger benefit to the North, the more employment it creates.

Al had just showed me an interesting chart on that. And because of what we were speaking about earlier, you know, dealing with mines, he just showed me a chart that shows the value of goods and services that are procured by northern mine operators and how that's changed in time — 1991 in the North, it was \$19 million; in 2007 it was \$250 million; and in 2012 it was \$624 million. So you can see sort of the incremental increase has been dramatic.

[16:00]

Mr. Vermette: — Okay. No, and that's good. I don't know if,

some of the reports that you're referring to, I don't know if it's . . . Could you table those so that a person could have a look at them? Like I mean, if you have them, could you provide that?

Hon. Mr. Reiter: — Those were all on our website.

Mr. Vermette: — They were?

Hon. Mr. Reiter: — Yes.

Mr. Vermette: — Then that's fine. No, I appreciate that. That's good. I guess the other area, and when I think about some of the challenges, and I talked about the partnerships and everything else. And we know there used to be CREDOs [community regional economic development organization]. There were different enterprise regions, you called. And government has done away with those, and they were useful in northern Saskatchewan. I know the ones that were there. I watched some of the development of those for economics and for benefiting northern Saskatchewan. And there were some great tools that those organizations, the volunteers at the table, whether it was industry, you know, First Nations, Métis, municipal leaders, were at the table trying to, you know, the chambers . . . in a positive way looking at ways to improve the quality of life for northern Saskatchewan, economic benefits for northern Saskatchewan, you know. And I realize that's all . . . It's been, you know, it's gone. Our government decided to cut that for whatever reason. So they were left with challenges. I know there was frustration with that.

So I'm going to leave the economic part of it there, and I want to go into some questions with water. And I'm thinking of northern Saskatchewan. We talk about infrastructure and water safety. And I know there's been challenges with infrastructure for water safety for residents of northern Saskatchewan, for the 35 municipalities that are, you know, have to provide water. Can you give us an update where your ministry is working with the New North and the northern municipal leaders on safe drinking water for the residents, that they are required to provide the safe drinking water?

Hon. Mr. Reiter: — On the whole issue . . . You know, you mentioned about safe drinking water, obviously very, very important in the North, as it is all across the province. So Keith Comstock, our assistant deputy minister, his unit deals with that with municipalities in the North. So I'm just going to get Keith to sort of give you an overview of what happens in relation to municipalities in the North and also what happens with the unincorporated communities that the ministry is responsible for.

Mr. Comstock: — Good afternoon. My name's Keith Comstock. I'm assistant deputy minister of Government Relations. Thank you, Minister. And thank you for the question. A number of elements to the answer I think in order to be full and give you the complete picture.

First of all, with respect to the incorporated municipalities in the North, Water Security Agency is responsible for issuing the permits for the operation of the water treatment plants in each one of those incorporated municipalities, so the ones that actually have an elected council on their own, La Ronge and Buffalo Narrows and Ile-a-la-Crosse. And the larger ones look after their own, and our ministry doesn't have any direct water

quality monitoring responsibilities with that. That's through the Water Security Agency.

But as the minister mentioned earlier on in one of the other answers he gave, is that our ministry acts as mayor and council in the unincorporated areas of the North. And there are 11 northern settlements in the NSAD [northern Saskatchewan administration district]. And in five of those we have water systems that are owned by the district, and those ones are where we do take a direct role in monitoring water quality and ensuring that tests are done on a regular basis according to the standards and requirements that are in the water permits that are issued to us via the Water Security Agency as well.

So our staff in the North play a bit of a dual role. On the one hand, they provide advisor services and helpful training and other sorts of assistance to the incorporated municipalities in the same way that our staff do in the South, but in the North they also have this additional role of actually acting as municipal staff members in that unincorporated area. So on any given day, our advisor services staff out at the La Ronge office might be providing some advice and assistance on a bylaw issue in La Ronge, or they might be arranging for some sort of a . . . the delivery of a shipment of gas to Uranium City. And so it is a real, a very broad mandate that they have.

But back to the quality of the northern water specifically. I think as I mentioned the other evening, we have two communities in northern Saskatchewan that have what we would describe as kind of nagging problems. One of them is in Wollaston Lake. And our problem there is not that . . . it's not the settlement that's doing anything wrong. It's because we don't own that water treatment plant. It's owned by the First Nation, and we access the water. So we don't have any control over how that treatment system goes. But we do test, and when we see that there's been an upset or there's a situation that requires our folks to take precautions, then a boil water order is issued immediately. And that is in turn relayed to me, and then we do our best to work with the First Nation to see if there's any assistance that we can be as far as rectifying that.

The other situation, as I again explained the other night, is in Uranium City, where the water treatment plant that was built in the late '50s for Uranium City was designed to look after a community of 5,500 people. And with the permanent population in Uranium City now hovering around 100 people, it's a facility that's outlived its life. It still operates and treats but there are issues with it, and we're struggling, still working with Water Security Agency and our other partners to try and find a long-term solution. And until that's done, the boil-water order is there just to make sure that everyone is safe and looked after.

We do have a fairly major role in the North as well of course with infrastructure projects. And we've been very active over the last number of years in ensuring that northern communities have access to programs like the Building Canada Fund-communities component, and the other sorts of infrastructure programs that we have operated in co-operation with the federal government.

I have a list of all of them. Ordinarily we don't section out by where you are in the province, so I'll just run my finger down.

And I know that over the course of the last six to eight years, there's been close to 60 or \$70 million worth of water improvement projects take place in the North through the various phases of the water and sewer program that are administered through the Northern Municipal Trust Account. But just as a few examples: the northern village of Buffalo Narrows, water treatment plant upgrades to the tune of \$3.4 million; community of Creighton, water and sewer main replacement, \$756,000; Ile-a-la-Crosse, sewage lagoon expansion, \$2.1 million; Denare Beach northern village, again sewage treatment plant upgrade, \$1.4 million; a couple of projects in La Loche, water treatment plant, 1, 2, and 3 upgrades and sewage pump station upgrades to just under \$4 million; and Pinehouse, here is another one, \$917,000 for sewage pumping station 1 and 2 upgrades.

So we do make sure that northern communities have certainly, some would say, more opportunity than what southern communities have in terms of access to water and sewer. Because it is a situation in the North where, as minister has explained, we are very aware of the challenges that northern communities face in terms of tax base, in terms of funding. And we do make a special effort to ensure that we look after, as much as is possible, within the funding envelopes that we have to make sure that their needs are looked after. Again, as minister has said, there's more work to be done. I'm not suggesting that we have every community right where it needs to be or where it wants to be, but it is a process and it's something that we take very seriously.

Mr. Vermette: — Thank you. When you were referring to those different, the new projects you're talking about, is that new dollars coming in or is that out of the trust account that the dollars are targeted at those projects you talked about?

Mr. Comstock: — These projects are ones that are already completed, that were completed underneath the last program. I think again, as minister explained early on in our appearance before this committee, that we were still working on the details of the new Building Canada Fund and the new Building Canada plan with Canada over the course of the next little while. So it will be some time before I am able to know for sure what the details of the funds that'll be available underneath that program and where they will go. So these are ones that have been undertaken. Some of these funds would have come from the Northern Municipal Trust Account. Some of them would have come from the communities themselves, but a good portion of them, the majority of it, would have come from the federal and provincial governments.

Mr. Vermette: — Okay. Thank you for that. At this point, Mr. Chair, my colleague Buckley Belanger, member for Athabasca, has a few questions.

Mr. Belanger: — Yes, thank you very much.

The Chair: — The Chair recognizes Mr. Belanger.

Mr. Belanger: — Thank you very much, Mr. Chair, and thanks to my colleague for sharing a few minutes. I just want to very briefly speak about the most recent trip by the chamber of commerce to northern Saskatchewan. I'm sure the minister's aware that the chamber travelled to Buffalo Narrows, travelled

to La Loche, and of course to the Far North.

By way of cc I've shared with the minister a letter that the director of the Saskatchewan Chamber of Commerce wrote to Mr. Bernard Valcourt, of course the Minister of Aboriginal Affairs and Northern Development Canada out of Ottawa. And the letter, of course, the contents are direct and straightforward as to what the chamber found as the challenges as it relates to northern Saskatchewan. And they spoke about a number of areas. Highways obviously is one of them. Training is another one of them.

And the one letter that they wrote to Minister Valcourt was in relation to the food freight subsidy that was in existence through what they would call the Nutrition North Canada program. And the task force met with Ms. Diane Robinson and Ms. Carol Billinger from the Nutrition North Canada program to discuss the whole notion of the subsidy program because the vast majority of communities that they serve in the North would be in the what we call Athabasca Basin — Wollaston Lake, Fond-du-Lac, Black Lake. But there are also the northern settlements that skirt Lake Athabasca and that of course would be Camsell Portage, Stony Rapids, and of course Uranium City and I think Southend, you know, could also be included in that category of community.

And the food freight subsidy . . . There's two subsidies that really I want to highlight here as briefly as I can. One of them, of course, you know what I'm making reference to as to the chamber's findings, but I also want to throw in the fish freight subsidy that the Northern Affairs department cut last year. And as you know, it's one part of our economy that's really important, the commercial fishing industry. I know that it's not this particular minister, but it is the government that cut ties with the Freshwater Fish Marketing Corporation and then they cut the fish freight subsidy program and then we see other program cuts within Northern Affairs that really I think just shows that your government has no interest in stimulating some of the sectors in the northern economy which I think are really important.

[16:15]

So the fish freight subsidy is one of them. Losing control over the term supply licences by some of the northern base communities, that's another issue that I'm sure the minister is aware of. And then of course the most recent one, the findings of a totally neutral party, which is the chamber of commerce, when they go out there and they see that the food freight subsidies that impact the Far North is lacking and that there's no real serious provincial intervention or assistance on trying to mitigate some of the costs of food.

Now what the letter also pointed out, and I'm sure the minister is aware of the letter, if you look at a 4-litre 2 per cent Beatrice milk container at Fond-du-Lac at the northern or northern in Fond-du-Lac, is \$19.79, whereas probably here in the city it's probably \$4. La Ronge is 6.35. And so they do a reference check on the price difference of milk and they do a reference check on the price difference of a carton of 12 eggs. Whereas at La Ronge it's under \$3 and of course in Fond-du-Lac it's almost 5.50, in Black Lake it's 4.45, in Stony Rapids it's 4.49. So bread is over \$4 in Fond-du-Lac and it's roughly \$2 at La

Ronge, and probably a bit cheaper here.

Now the reason they did the comparisons, when you look, milk is probably the most essential and compelling argument overall in terms of nutritional value of food to these remote northern communities: \$20 for a 4-litre carton of milk versus what I would say is probably 4 or \$5 here in some of the larger centres.

Now I look at some of the freight subsidies that are in place. And I've got the list here, where it shows that, for example, Transwest Air . . . There's two ways of getting food up there. Of course you fly it in, they have a rate of 73 cents a kilogram. And by truck, it's 82 cents a kilogram. And the nutritional program . . . The reason I'm sharing all this with you, it's important for the committee members and people that might be viewing this process to hear what's happening in the Athabasca Basin.

But Transwest Air charges 73 cents a kilogram. Some of the trucking firms charge 82 cents a kilogram for the freight costs to the Far North. And for the essentials, such as milk, eggs, fresh or frozen fruit, meat products, cheese, vegetables, things that we want our children to eat in all the rest of Saskatchewan, the subsidy for some of those items is roughly 5 cents.

So the subsidy under the federal program is one area that is very, very low. It really doesn't have any, it doesn't really offer any significant benefit to these northern communities — not just to First Nations, as I mentioned — the other municipalities that dot around and live around Lake Athabasca.

And so I guess my first question is, has the ministry done anything to mitigate the incredible cost of transporting nutritional, everyday foods to the Far North? And is the federal government the only game in town, or are we just completely exiting as a province any kind of effort to help the Far North in covering some of these costs?

And before we go, you know, to your answer, just in and around Lake Athabasca is four or five mines that generate incredible wealth for Cameco, and they also generate wealth for the province. And people from all throughout Saskatchewan work at these mines, not just from the North but from all throughout the province. So when I look at that, I see a huge cost for the people, and I see huge economic opportunity being realized by a lot of people within eyesight of some of these communities.

So I'm trying to correlate. Is the government doing something to use the opportunity presented with the mining sector to soften the blow in terms of helping families mitigate costs when it comes to essential foods that I identified earlier?

Hon. Mr. Reiter: — You covered a wide range of issues in that statement, so if I miss something in my answer, please come back to it. It would be inadvertent.

I guess I do very strongly disagree with one statement you made, before I get into the answer on that. You said something along the lines that this government has no interest in helping the North. That couldn't be further from the truth, and certainly we can get into more detail if you like but, you know, if you had been listening to the previous questions and answers,

certainly you heard about a number of programs that have an impact in the North that this government has been engaged in.

As far as the food freight subsidy you're referring to with the federal government and the chamber requesting that the subsidy be increased to a greater level, certainly we recognize and, you know, some of the numbers you were quoting, absolutely the extra costs to the North are just astounding. So certainly anything, any program like that obviously is helpful. But to your question whether there's a food freight subsidy from the provincial government, no, there isn't. And I'm sure you'd be aware that the last time that there was was in 1985.

Mr. Belanger: — Okay. I guess the other point I would raise is that there was some logic to the argument that people made that if you were to put the money into a highway system, that would be the ultimate solution as opposed to having people fly supplies up there or truck during the winter months when of course you can use the ice roads — that perhaps an investment into the highways needs into these northern communities would be the ultimate solution.

Now what I see is that the only Highways investment that we have in northern Saskatchewan that's been announced recently has been the highway between two mines. The highway to Wollaston Lake was cancelled even after it was announced by the government. The northern economic infrastructure strategy, which was talking about improving the highway networks including those in the Far North, well that was scrapped as well. The economic development grant that Northern Affairs had to stimulate the economy in the region, well that's gone as well. The fish freight subsidy, well that's gone as well. The opportunity for people to own their homes through the remote housing initiative, well that's gone as well. Specific . . .

Mr. Hickie: — Point of order, Mr. Chair.

The Chair: — What is the point of order?

Mr. Hickie: — I believe we're here today to talk about the estimates related to Government Relations. Notwithstanding that Government Relations has a very major role to play within the northern communities, liaising with the northern leaders and the leadership around the entire province, the municipal sector, but the member opposite seems to be going on a tangent, berating the government and this minister and his officials for programs they have no responsibility for and are in no way directly related to these estimates at all.

So I would just caution and maybe ask Mr. Chair to tell the member opposite that the reason we're here for this particular meeting this afternoon and maybe he should stay to the topic at hand. Thank you.

The Chair: — Thanks, Mr. Hickie. Mr. Wotherspoon.

Mr. Wotherspoon: — Just in brief response to the point of order, the remarks of the minister certainly reflect a lot of what is heard through municipal leaders. I know certainly in attendance to whether it's SUMA [Saskatchewan Urban Municipalities Association] or certainly SARM [Saskatchewan Association of Rural Municipalities] and listening to voices of municipal leaders throughout northern Saskatchewan, there's a

wide range of matters that are important to the North, economic development through housing, through social development, and a lot of those do get brought back directly to the Municipal Affairs minister. And certainly his role does connect to other ministries, and certainly I think he has the ability to speak to those connections and how he advocates on behalf of those municipal leaders.

I often think those common sense municipal leaders across Saskatchewan are closest to the services and the people who are impacted by them. And as such they have very important voices that are shared with us as legislators, and it is important for them to be heard in this Assembly.

The Chair: — Thank you, Mr. Wotherspoon. I've heard the point of order. I've heard the reply. When we are into estimates in committee, there is a wide range that we are allowed to listen to. You are correct that the message is getting away from the estimates. I will caution the member to try and bring it back to here, however I will leave it to the minister to answer the questions if he so chooses.

Hon. Mr. Reiter: — Thank you, Mr. Chair. I'll certainly attempt to. I would just ask the members to bear in mind, you know, I'll make some general comments because again it's not the ministry that I'm responsible for. But as a member of government, obviously I have some general knowledge about workings of the other ministry. Where I can't answer specific questions I, you know, I would just ask that you speak to the relevant minister.

I watched with interest the other night when Highways estimates were on. And it would . . . I hope doesn't surprise the member who asked the question, but at one point during the rather animated debate that he and the Minister of Highways had, the member was asking, he referred to the member from Cypress Hills as being the first Highways minister in this government and the current Highways minister. But he couldn't remember who the Highways minister was in between those, so certainly I can clarify for you that was me. So I am pretty familiar with what does go on in the Highways ministry.

And I think this is very much one of those issues we're going to have to agree to disagree on because certainly I get the point of being a critic and being in opposition in that you try to score political points and make statements about governments not caring and those sorts of things.

But frankly the numbers just don't bear that out. Would we like to do more in the North and do more in the North on highways? Absolutely we would because we'd like to do more everywhere in the province. But the fact of the matter is is only so much can be done at a time. And this government is proud of the record highways spending that we've done. Highways have improved enormously over the last number of years. Do we still have lots of work left to do? Yes, absolutely we do, but I believe we're certainly making progress in the right direction.

Mr. Belanger: — I just want to point out that . . . Am I to understand the mandate of Northern Affairs really is an overarching mandate to represent northern issues on the wide spectrum or wide basis that deals with a number of departments? I'm assuming that, as a minister, you're

responsible for Northern Affairs and that you have corroboration or collaboration or coordination with a number of ministries, be it Highways or Housing. And that's the role I understand Northern Affairs to be mandated to try and achieve.

So I don't think the point is well made. And the fact of the matter is that, as Northern Affairs minister, you noted on numerous occasions that you have numerous discussions with numerous ministers on numerous issues. So as I talk about housing, as I talk about highways, as I talk about the fish freight subsidy, and I talk about the food subsidy here today, they're all issues that are clear within the mandate in the estimates of Northern Affairs.

So the point of debating whether these issues are relevant to Northern Affairs estimates, I think are not well placed. And quite frankly, I'm just simply primarily following the message of a major player in the province, which is the chamber of commerce, that went out and saw for themselves these are the issues and ills that plague northern Saskatchewan. So this is not about political points.

When you see families being evicted, working families being evicted out of their homes, does it have a detriment or negative effect to the economy of the North? Well of course it does. If you see poor highways that are not being repaired, does it have a negative economic effect on Northern Affairs overall? Obviously it does. And when you see \$1,000-a-month power bills that northern people are paying, does it have a negative effect on their quality of life? Well of course it does. And we can go on here all evening. And that's the basis of my argument, that I don't think the government has done anything for the North. I still maintain that there's a lot more work that needs to be done. But at the very least, start some of that work. That's my message today.

[16:30]

How you guys were able to announce a road to Wollaston Lake and then cancel it, I don't know what changed from the announcement to the cancellation. And when I hear anybody speak about their record investment in highways, people in the North are saying, where, where's this happening?

And when it comes to issues of the fish freight subsidies, this industry is struggling. And the government takes away the fish freight subsidy, Northern Affairs does. SERM [Saskatchewan Environment and Resource Management] is of course part of that process, but Northern Affairs was the place where the money was allocated. Well that subsidy is gone now. Does that hurt the economy of these northern communities? Absolutely it hurts the economy of these northern communities.

So everything is tied in, tied in through Northern Affairs . . .

The Chair: — Mr. Belanger, we are discussing Government Relations, vote 30, and again we have a wide range of latitude to discuss this. But is there a question in your preamble here that would tie into the estimates?

Mr. Belanger: — Well as the minister was given the opportunity to present his strategic plan, we should be able to be given the opportunity to basically put our points, raise

them . . .

The Chair: — Is there a question?

Mr. Belanger: — Well I'll go back to my preamble, then I'll get to the question, if you will.

The point that I'm trying to raise here with all the issues around the food freight subsidy, the cancellation of the fish freight subsidy, the cancellation of the economic development grant program to stimulate local businesses, the cancellation or the most recent attempt to take away ownership of some of the term supply licences by many communities — La Ronge included, the northwest communities included — the notion around housing, the notion of the fact that we're having no major issues to deal with the northern leaders on a number of fronts, be it health, be it highways, be it housing, be it health care. The list kind of goes on and on.

So my question to the minister is, how effective and how strategic and how strong are you to represent Northern Affairs as the Northern Affairs minister in bringing back some of the programs that the government has withdrawn over the last number of years?

Hon. Mr. Reiter: — Well you know, I take great pride in my portfolio and I have a good working relationship with all my colleagues . . . [inaudible interjection] . . . And well, you know, Mr. Member, you asked the question. I assume you'd like to hear the answer. You know, you covered again as you often do, you were all over the place with many comments. And I'll just cover that off with saying, in many instances we're just going to have to agree to disagree.

As far as programs in the North, absolutely there's been changes, but you seem to neglect all the programs that this government has done for the North. If you'd have been paying attention earlier, you'd have heard when we were speaking about northern career quest. You would have heard about the dramatic increases in northern municipal revenue sharing that have happened under this government, in fact just in the last year or two.

And unlike you, sir . . . Well again apparently the member doesn't want to hear the answer, but I'll answer it anyway. Unlike you, I do pay attention to what happens in politics, and I do have an idea who past ministers have been and what they've been responsible for.

And if memory serves me correct, you under the previous regime were minister responsible for Northern Affairs. And much of your statements today revolved around the food freight rate subsidy from the federal government, and you're criticizing the provincial government for not having a subsidy program. But again as I mentioned, the last time there was a provincial subsidy program was 1985. You, sir, were minister responsible for Northern Affairs, and I'm just curious why you didn't initiate a food freight rate subsidy.

The Chair: — Mr. Minister, we've come to the allotted time, and we will conclude these committee hearings. If you would like to make some closing remarks, I would welcome them.

Hon. Mr. Reiter: — Certainly. Thank you, Mr. Chair. I'd like to thank the members of the opposition for their questions. I'd like to thank the committee members for their indulgence today, and I'd certainly like to thank all the ministry officials who've been here not just today but over the last several estimates meetings we've had. So thank you.

The Chair: — Thank you, Mr. Minister. Mr. Wotherspoon.

Mr. Wotherspoon: — I would just like to request a couple more hours of time. No, I say that in jest, Mr. Minister. I think we've satisfied or met six hours of estimates. We appreciate that. We say, although there are questions that exist, we appreciate that we've come to the conclusion. Thank you to you for your attendance to these meetings. Thank you to your officials for their time in these meetings and their work every day.

The Chair: — Thank you, Mr. Minister. The officials, thank you. Committee members, thank you. This committee now stands adjourned. We need a motion to adjourn. Mr. Steinley so moves. All in favour?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Carried. Thank you. The time is 4:36 p.m.

[The committee adjourned at 16:36.]