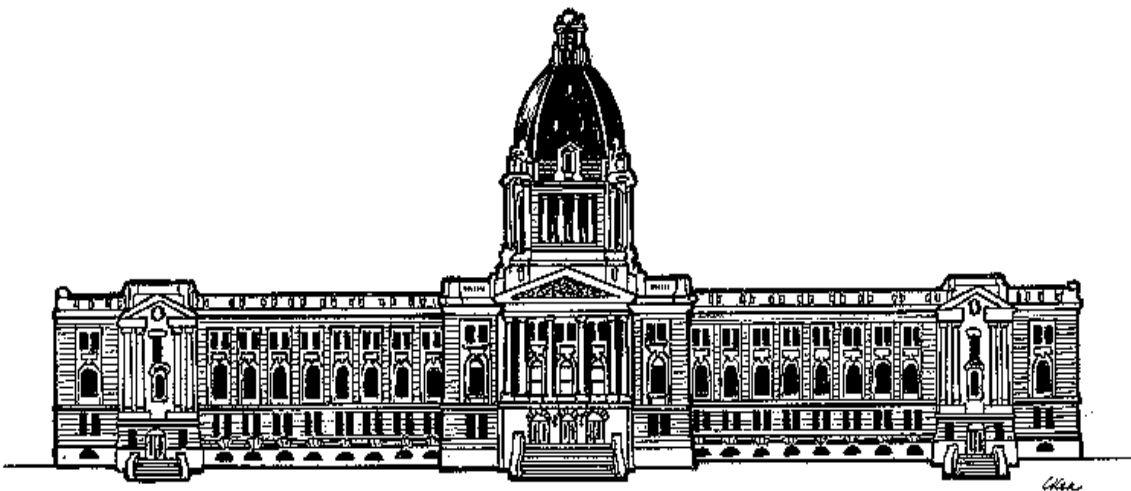




# **STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES**

**Hansard Verbatim Report**

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**Legislative Assembly of Saskatchewan**

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**STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES  
2004**

Mr. Graham Addley, Chair  
Saskatoon Sutherland

Mr. Wayne Elhard, Deputy Chair  
Cypress Hills

Mr. Dan D'Autremont  
Cannington

Mr. Andy Iwanchuk  
Saskatoon Fairview

Mr. Warren McCall  
Regina Elphinstone-Centre

Hon. Maynard Sonntag  
Meadow Lake

Mr. Randy Weekes  
Biggar

The committee met at 15:00.

**General Revenue Fund  
Saskatchewan Property Management Corporation  
Vote 53**

**Subvote (SP01)**

**The Chair:** — Order. I welcome the minister to the committee. We have Mr. Sonntag, Mr. McCall, and Mr. Borgerson is chitting in for Mr. Iwanchuk. And we have Mr. Elhard, Mr. Weekes, and Mr. D'Autremont will be joining us shortly.

And the first item before the committee is the consideration of estimates for the department of . . . Saskatchewan Property Management Corporation, vote 53, found on page 121 of the Estimates book. And I would recognize the minister to introduce her officials.

**Hon. Ms. Higgins:** — Thank you very much, Mr. Chair. I would like to introduce to you and to the members of the committee the officials from Saskatchewan Property Management who are here with me today. To my right, Mr. Ray Clayton, president of Saskatchewan Property Management Corporation. To my left is Mr. Garth Rusconi, vice-president of accommodation services; to my far right is Mr. Donald Koop, vice-president of commercial services. And sitting at the table behind us we have Mr. Phil Lambert, vice-president and chief information officer, information technology; Mr. Paul Radigan, director of financial services, and Leanne Forgie, manager of financial planning.

**The Chair:** — Provision of central services to government (SP01). I recognize Mr. Brkich.

**Mr. Brkich:** — Thank you, Mr. Chairman. I want to welcome the minister here and her officials and I look forward to finding out some questions and finding out some information. I'm glad that you could make it here and thank you for that.

I guess we'll start with there was a little bit of shakeup in Property Management with job losses, some job relocations and that. I know we've read from the budget that came out, the first report on the budget . . . has there been any change in how many people have been laid off or relocated since that was first announced when the budget was released at the end of March?

**Hon. Ms. Higgins:** — No, no. Just what was put forward in the budget. But there's been no changes since then.

**Mr. Brkich:** — Okay. When did some of the job losses take effect?

**Hon. Ms. Higgins:** — Mr. Chair, there was notice given on budget day. Some requirements were 60 days notice; others were as long as up until September 30. But the, I guess, main changes that you would be looking at was May 31 was the last day for some employees, June 30 will be the final day for others. And the Echo Valley Conference Centre will be September 30 of this year.

**Mr. Brkich:** — Thank you, Mr. Chairman. What will be the

total savings for this year with the job cuts?

**Hon. Ms. Higgins:** — Mr. Chair, the total savings for this year is \$550,000.

**Mr. Brkich:** — Thank you, Mr. Chairman. Will that savings be . . . How much for the following year? Have they . . . Do you have a figure for that?

**Hon. Ms. Higgins:** — Mr. Chair, it would be double that amount on a full annualized basis for the following year.

**Mr. Brkich:** — Thank you, Mr. Chairman. One of the other questions I have dealing with . . . move on to leases. You lease quite a few buildings for different government departments. What's the total lease bill that you pay to different . . . Do you have that what you pay to, I guess, different property owners? Would you have just a total, total pay that's paid per year on leases?

**Hon. Ms. Higgins:** — The lease costs for 2004-2005 will be \$32,265,000.

**Mr. Brkich:** — How much again?

**Hon. Ms. Higgins:** — Thirty-two million, two hundred and sixty-five.

**Mr. Brkich:** — Thank you, Mr. Chairman. That's what's paid to property owners. And then I believe . . . Let's say . . . I'll just use . . . If you're leasing to a Crop Insurance building for Crop Insurance, do they pay you also a rent? Do you have a total figure of rent that comes back to SPMC (Saskatchewan Property Management Corporation)? I don't know if you're following me here, but I know that they use crop insurance. You would maybe do a lease for them, right?

And then what you will do — I'm thinking this as I'm asking these questions — do you put . . . You submit, basically, a bill to them for administrating of the lease. Like, let's say you negotiate a lease for that particular building for \$600 a month and then turn around and . . . but charge their department — I'll just pick out a figure, \$650 a month — and use the other \$50 supposedly for administration, stuff like that. Is that how you do your lease arrangements?

**Hon. Ms. Higgins:** — Yes, that's basically it.

**Mr. Brkich:** — Okay. Do you have the total figure then of the total gross money that is paid to you, your department, in lease money from the departments?

**Hon. Ms. Higgins:** — Mr. Chair, what we have is a figure that includes all revenues from leases. And that would include also administration costs, which are added in. And the administration costs vary depending on the services that are provided to that particular client, so it could be a range of things that are included in this.

But the total revenue is \$113 million. Oh and that also includes facilities that we own ourselves.

**Mr. Brkich:** — Facilities that you own yourself — that basically that you charge yourself rent on that?

**Hon. Ms. Higgins:** — Well SPMC owns some buildings and facilities. And there are others where we need to provide space for whether it . . . government departments or services, we will lease space if the need arises. If we don't have the space to provide or we don't have a facility in that area, then we will lease from the private sector.

**Mr. Brkich:** — 32 million from 113 million, and it's a fair chunk of change for . . . What other services do you provide, just atop of the administration costs to renegotiate a lease to justify the basically almost \$80 million?

**Hon. Ms. Higgins:** — Just to clarify something — you can't go from the 32 million to the 113 million, because the 113 includes administration, planning services, any charges that are done for any other services that SPMC provides for that client. But it also includes lease space and space that SPMC owns and provides or leases to that department.

The 32 million would be for leases only. So it's not accurate just to divide one from the other and say that's a fair chunk of change, because there is a lot of items that are also contained in that.

**Mr. Brkich:** — Do you have a better breakdown? I will use an example of, oh, maybe we'll start with crop insurance. A lot of the buildings out in rural Saskatchewan are leased, some of them from . . . the RMs (rural municipality) will own them, or the towns. Can you provide a breakdown let's say of Crop Insurance, buildings that you do not own, that you negotiate a lease to them and then Crop Insurance pays you rent on them?

**Hon. Ms. Higgins:** — What we can give you is the basic information that goes with each of the leases — whom we leased the property from, the amount of space that is leased, and the length of the lease. But financial information is confidential.

**Mr. Brkich:** — On some of the leases, I'd be curious to see what services you provide, which would affect why it would be extra. You know, I just want to justify . . . because I mean we have gotten . . . I've had calls where, you know, they'll say a particular owner might be getting a negotiated lease for \$600 and then the government agency is being charged 1,200.

But also if you can do a breakdown of what you supply. If that's just negotiating the lease, that's quite a bit of money. But if you're providing the power or the water extra, things like that, will vary onto that. And basically that's what I'm looking at. That's information I would like to have in my hands. I know you won't have it right here right now but if you can endeavour to provide me with that, some of the things that you do provide on buildings.

Do you pay power, do you pay water on the side up above the lease arrangements for the . . . I'll just use the Crop Insurance. I'll use that. If you lease a particular building for \$600, charge them \$1,200, but are you paying the power bill part of that or the water bill or stuff like that, or is that just all administrative costs is what I'm looking at for a breakdown of that.

**Hon. Ms. Higgins:** — Mr. Chair, what we can do, while not getting into financial details, we can give you a list of the types of leases that we provide and what that covers. Okay?

**Mr. Brkich:** — Mr. Chairman, and also in there . . . I guess what I was after, is it normal practice if you lease a building for a government agency do you provide the janitorial service? Is that kind of normal? Or water? Or basically is that up to the other government agency that has the building and you're just basically negotiating the lease I guess?

**Hon. Ms. Higgins:** — In most of the leases . . . but I guess I caution here there are always exceptions. But in most of the leases that are in the private sector the landlord generally will provide many of the services that are required in the building.

**Mr. Brkich:** — The way I understand it, from being renting for the government for my MLA (Member of the Legislative Assembly) office, so I was just wondering, like . . . Another question I guess I'll ask you along this line, what is the standard? Do you have a standard that you work on negotiating a lease? Let's say you negotiate a \$10,000 contract lease, do you have your administrative cost figured out that's saying okay we have to charge Crop Insurance that much above the \$10,000 to cover that? Do you have breakdown of what it costs to administrate? Just do a standard three-year lease.

**Hon. Ms. Higgins:** — Mr. Chair, what we can provide is a list of the services that we provide if that's required by the tenant, but all of the services that SPMC provides is calculated on a cost-recovery basis. That's the basis that we operate on.

**Mr. Brkich:** — Okay, thank you. So every lease then will be just what you figure it costs in administration which you'll work out probably in what they call man-hours, how many hours it takes to negotiate that lease? So would it vary then from lease to lease?

**Hon. Ms. Higgins:** — No, it doesn't vary from lease to lease.

**Mr. Brkich:** — How do you figure out your administrative costs?

**Hon. Ms. Higgins:** — Well your administrative costs and your services provided would all be calculated into the total cost. But the services provided to that tenant would be the larger variable portion of the lease.

**Mr. Brkich:** — Services I'm taking. You're talking janitor, stuff like that? Okay. I think that answers some of the stuff, and I'll be looking for the information that you can provide me later on to go through with it, or I may have more questions from that . . . from your department later on, on that.

One of the other, I know it's a new department for me for critic area, so I'm going to go through maybe some stuff that may have been gone over the past couple of years. But I know that with the planes, that's your department there, on the plane end. You have what? Do you have three, three planes, I'm not sure, that you have; an air king plus maybe a couple of Cheyennes, I'm not sure. Can you give me an update on your situation?

**Hon. Ms. Higgins:** — What I will do, Mr. Chair, I will turn this

over to Donald Koop to give an answer on the air services.

**Mr. Koop:** — In answer to the member's question, we have six aircraft. Three are involved in the executive air service based here in Regina at the airport. Two of those planes are owned and one is leased. The two aircraft that are owned, there's a King Air 350, a King Air 200, and there's also a Cheyenne aircraft.

We also own three aircraft that we use to provide service under contract to the Department of Health for the air ambulance program that's based in Saskatoon. And there's two King Air 200s there and a Cheyenne.

**Mr. Brkich:** — Thank you, Mr. Chairman. You said that you leased one. What's the company that you lease it from?

**Mr. Koop:** — It's leased from . . . I'd have to double-check. It's leased from a company here in Regina.

**Mr. Brkich:** — A private company name or . . .

**Mr. Koop:** — It's a leasing company.

**Mr. Brkich:** — CIC (Crown Investments Corporation of Saskatchewan) doesn't . . . Do you lease any planes from CIC?

**Mr. Koop:** — In answer to the question, the support staff with us today have checked the books and the company is called Cajon Leasing Inc., C-A-J-O-N. Cajon.

**Mr. Brkich:** — Would that lease be not public knowledge — the financial arrangement on that?

**Mr. Koop:** — I would have to check. The financial terms would not be, but we'll check to see if other aspects of the arrangement could be provided.

**Mr. Brkich:** — I'd like the years, how long you've leased it, things like that.

**Mr. Koop:** — In answer to the question of length, it's a five-year lease.

**Mr. Brkich:** — Okay. Was it, Mr. Chairman, was it tendered out when you were looking for the lease?

**Mr. Koop:** — I believe it was.

**Mr. Brkich:** — Thank you. One other question along that line — I'd think I'd asked this — you don't lease a plane from CIC, Crowns investment corporations?

**Mr. Koop:** — No.

**Mr. Brkich:** — Thank you. The Cheyennes, the Cheyenne planes, are they getting . . . When are you looking to replace the planes? In near future? Are they good for length of time right now?

**Mr. Koop:** — Well, the Cheyenne aircraft based here in Regina is an older aircraft. It is being well-maintained by the staff and is airworthy or otherwise we wouldn't put it in the air. But they

do have a finite life. We haven't reached that point yet and acquiring a new plane is an expensive proposition. So it's something that we don't have planned for the current year and we continue to evaluate, sort of, when would be the appropriate time to replace the aircraft if a replacement is required.

**The Chair:** — Mr. D'Autremont.

**Mr. D'Autremont:** — Thank you very much. I'd just like to carry on a little bit on the aircraft questions. Are you involved in any way with the aircraft that are used for water bombing, either in owning, leasing, or renting during forest fires?

**Mr. Koop:** — No, we're not. I believe our only involvement is that when we secure insurance for the government aircraft we, as a corporation, obtain the insurance coverage for the water bomber fleet and other aircraft that Environment uses for the fire suppression program.

**Mr. D'Autremont:** — Would SPMC be involved in any studies or investigations into utilization of other or new, or acquisitions of other or new aircraft for use as water bombers?

**Mr. Koop:** — No we haven't been.

**Mr. D'Autremont:** — A question on the air ambulance aircraft. Are there any studies, or are you looking into anything in relationship to the air ambulance as to changing the style of operation, the style of aircraft that are used in that operation?

**Mr. Koop:** — There have been periodic considerations of, I believe it's medevac helicopters. It has come up on occasion in the past. It's been looked into and the conclusion was that the current fleet of fixed-wing aircraft best met the program needs.

**Mr. D'Autremont:** — Were there any written reports done in that relationship between the use of fixed-wing versus rotary-wing?

**Mr. Koop:** — I'm struggling to recall seeing any report on that. I know it's been examined by our air transportation staff and Health, and they've reported that the fixed-wing aircraft best met their needs. But whether there was an underlying report, I'm not sure.

**Mr. D'Autremont:** — When those reviews or investigations were done there must have obviously been some sort of conclusion drawn or recommendation made to SPMC. Perhaps on to the minister, I wonder if a copy of those reports or recommendations would be available?

**Hon. Ms. Higgins:** — Mr. Chair, since my term . . . or since I have been here as Minister Responsible for SPMC, I have not seen any written reports or received any formal recommendations when it comes to whether we look at a different system of delivering air ambulance services. We can do some research on it and I would be pleased to let you know but there's none to my knowledge.

**Mr. D'Autremont:** — Okay, thank you very much. I guess one of the things that I would be interested in knowing about any reviews or recommendations that may . . . What was the time frame? Like, was it done, you know, three years ago, five years

ago, ten years ago. Because the circumstances may change over that time.

Let's say it's done 10 years ago. And I'm just picking a number out of the air. You know, a study that was done 10 years ago with the changes in both fixed-wing and rotary, things may remain the same or they may have changed. So I'm just wondering you know, when was that kind of a study or investigation review done, you know, and how relevant might it be or may it not be today?

**Hon. Ms. Higgins:** — Well that's just something added to the previous question and I give you the same response, we'll see what's there.

**The Chair:** — Okay, thank you very much. My colleague has some questions. Mr. Elhard.

**Mr. Elhard:** — Thank you, Mr. Chairman. I'd like to pick up on the line of questioning that the member from Cannington began just a few minutes ago. If the department was to undertake a study on the relative merits and costs of fixed-wing aircraft versus helicopters, for instance, would you undertake that study based on simply financial criteria as it would impact SPMC? Or would you also take into consideration costs associated with the use of those kinds of aircrafts for the delivery of air ambulance services, and how that might impact the Department of Health budget or some of those other considerations?

**Hon. Ms. Higgins:** — Well, what you're doing is asking questions on something that may or may not be there, in one form or another, whether this was an official report, whether it was recommendations, how in-depth the study was. You're asking questions on that when what SPMC does is provide service and supply to the Government of Saskatchewan and government departments and agencies, so many of the things that we do would be on the request of departments.

So when you are looking at air ambulance services throughout the province of Saskatchewan, these questions may be better directed at the Department of Health, when you're getting into specifics of what's required and what isn't and what consideration has been given to their needs previously.

**Mr. Elhard:** — I guess I wasn't actually asking the questions in a past tense. I was looking forward to the possibility that the department may have to, SPMC may have to, undertake this kind of cost evaluation. And if you did; I mean if you were requested to do this would it be based on just the impact on SPMC? Or would you include . . . And this is a hypothetical question maybe but I think it's relevant now, because it's just in the last 10 days we had an air ambulance stuck in the middle of a runway in my constituency. And having that experience has suggested that in some circumstances maybe a helicopter for air ambulance purposes might be more appropriate.

The Department of Highways has cut funding to highway . . . or to runway repairs in the southern . . . runways of airports in communities all across the province. So with that, with the limitations of air ambulance through fixed-wing aircraft, maybe somebody's going to have to look at helicopter service. And assuming that's the possible outcome of the situation, how

would you as an entity of government, as a Crown corporation, decide whether or not the merits were there?

**Hon. Ms. Higgins:** — Well I'm assuming if — and again we are dealing with a hypothetical situation here — if SPMC was requested to do a review and come forward with recommendations or to provide the information to research the information and provide it to whichever department requested the information and was looking at the situation, there would be a number of things that would be taken into consideration.

And while we've all watched television and seen helicopters zip off from the big airports and cut across big cities and provide wonderful service, we also have to give consideration to the distance that's travelled. So it wouldn't just be purely on the dollars and cents of it. You would also have to look at the practicability of fixed-wing versus helicopters.

I mean it would entail a whole range of issues, I would assume, if we are ever asked to provide that, and by what criteria the department requesting this may be in the future report or request, what kind of criteria and requirements they would put on the research that's required.

**Mr. Elhard:** — So I take from what you're saying then that SPMC would make the financial considerations — choose between A or B, whatever options are available to you — and present that information to the department that was possibly requesting it, and then it would be up to them to assume the cost of that?

Let's just talk hypothetically if we could. Let's say the cost of running a helicopter air ambulance service would be, you know, \$10 million more per year than just a fixed-wing service. Would you, assuming that information — and I'll grant this is hypothetical — but assuming that information, would you go to the Department of Health and say, you can have your air ambulance, helicopter version, but it's going to cost the Department of Health \$10 million a year more? Is that the only implication for SPMC in that situation?

**Hon. Ms. Higgins:** — Any study that . . . Hypothetically any study that may be done or may be requested to be done with SPMC would be done in conjunction with SPMC and the department that is requesting the study. It would be a co-operative effort.

So when you were talking about the hypothetical situation of how air ambulance services are delivered, any such study would be done in conjunction with both partners, and I mean by the criteria that is set out by both parties, and decisions would be made from that.

But I mean we are really wandering a long ways off here from estimates and budget when we are talking about what if and, you know, building a series of questions off that without input from the Department of Health and the consideration that they have given this.

**Mr. Elhard:** — I'll grant you, Madam Minister, that's it's not comfortable area to get into when you're talking hypothetically but, you know, I'm talking hypothetically with a sense of reality and the everyday experience in my constituency because the

airport runways in my constituency have suffered from lack of funding. As I mentioned earlier, cutbacks in the Department of Highways negated a lot of the work that would routinely be done in those airports.

And you know, with additional cutbacks in health care delivery and especially in some of the more remote communities of my constituency and the inaccessibility of ground ambulance many times to hospitals that serve the area or health centres that serve the area, evacuation is going to become more and more an issue. And I think that it's something that your organization and the Department of Health may be faced with.

So even though it does seem hypothetical I, you know, I think there are consequences to the existing actions of the government, the decisions by the current government, that are going to require this kind of consideration be given to helicopter air ambulance at some point in the future. Maybe it's just a heads-up and you might want to start looking at that as a possibility.

I'll change the subject just briefly if I can. I have a couple of questions regarding Highway department facilities that are scattered around the province. And the Minister of Highways, I'm sure, will recall I raised these questions previously under different circumstances. But as I understand it, Department of Highways facilities are actually owned by SPMC or managed . . . owned and managed by SPMC. So when a new facility is erected — most recently I know there was one erected in the community of Morse — that is an entity that belongs to SPMC. The Department of Highways leased that entity or that building from your organization.

What happens to the old ones, the old facilities that are no longer used by SPMC . . . I'm sorry, by the Department of Highways? Do they revert to SPMC's stable of properties for disposal or other use? Or does the Department of Highways maintain their control on those facilities after they abandon them?

**Hon. Ms. Higgins:** — Mr. Chair, if the department — and in this case the example you used was the Department of Highways — if they deem the facility surplus, that it's no longer needed for the services that they're providing, it will revert back to SPMC. And then SPMC has a process that it goes through to offer the property to other tenants and there's a series of steps that are taken.

**Mr. Elhard:** — Can you, Madam Minister, tell me the status of the property that was used by the Department of Highways located at the community of Ernfold?

**Hon. Ms. Higgins:** — Mr. Chair, we don't have that information with us right now, but we can get it back to you.

**Mr. Elhard:** — Thank you, Madam Minister. I'd appreciate that. I have a similar question about the Highways department facility in the community of Gull Lake. The Department of Highways has had that facility there for a long time, and the last time I went by it it was vacant. There was nothing there, and I was just wondering if that property is now reverted back to SPMC.

**Hon. Ms. Higgins:** — We can look up both properties and get back to you on it.

**Mr. Elhard:** — Thank you, Madam Minister. I would look forward to an early response on both of those if I could please.

One other question I wanted to ask related to Echo Valley Conference Centre. We spent quite a bit of time a few weeks back going through the history of the facility and what had been done by SPMC and your decision to terminate that facility as a government property.

The reason it comes to my attention again was that last night I went to a program where people who took specialized training in the tourism industry were recognized by the industry. And as it turned out, at least two of the recipients of awards for training by the tourism industry are employees of Echo Valley Conference Centre. And, you know, I think that capability and that move by people who are employed there to improve their skills ought to be recognized and were obviously last night.

But as a result of my conversations I was led to believe that there are efforts being undertaken by a proponent group, a local proponent group, to assume control of the facility. Would the minister please update us on the status of that and if there are indications that this might be reasonably successful or otherwise?

**Hon. Ms. Higgins:** — At this point in time . . . Actually, you know, just your opening comments about the tourism awards and that there was Echo Valley staff that were there and received awards and recognition for the work that they have done, that's one of the comments that we have made; that despite the good efforts of the staff at the Echo Valley Conference Centre it just hadn't been profitable.

But through a number of meetings that have been held with the community groups, there has been interest expressed in the centre and there is a couple groups that have made the intention known that they are looking at opportunities that may be there.

Currently SPMC is working through the process that we have of offering a facility to other government departments or government agencies, and it will move down the steps that we have looking at the community and the municipality around Echo Valley. There has been interest expressed, as I've said. There has been inquiries. How successful those will be we're not sure at this point in time. I mean once something more formal comes along, a more formal proposal . . . but there is interest in the Echo Valley Centre.

**Mr. Elhard:** — Gathering from the comments I heard last night I can see why there would be interest. You know, I think the facility plays such an important role in the community there. And not just as a centre for employment — that's critical, I suppose, to the people that are actually employed — but in terms of the history of the facility and the role it has played throughout the development of that area. It's become a sort of a very stable part of their economy. It might not have been profitable from SPMC's point of view but it certainly was an important part of the profitability of the rest of the area there. And I think they'll try and make every effort to come forward with a reasonable proposal. How flexible will SPMC be in

dealing with those proponents?

**Hon. Ms. Higgins:** — Well here you are, you're getting into again what is a hypothetical question, because we have no idea what the proposals may be or who the proponents may be of those proposals. There is a huge value to the community of Echo Valley. There is a strong attachment to Echo Valley.

Through the best efforts of SPMC and the staff that have worked at that facility over the last few years, it has not been successful. It has been not utilized to its full extent and there are many demands on the budget that we have. And providing supply and service to government departments is our main purpose throughout the department of SPMC, or the corporation. Running a conference centre has not been so the decision — and it has been a very difficult decision — to announce the closure of the facility at the end of September . . . We are hopeful that there will be proposals come forward from the community.

As I've said, we've had meetings. And I know Donald Koop has been in touch with the community and we hope that there will be a good proposal come forward. But issues there may come from those proposals, I mean, I can't talk to that now. I don't know what the proposals will be. So we are open to working with the community. We have expressed that to the representatives from the community in the group that I have met with; that we are more than willing to work with the group to work through any proposals that they may bring forward.

**Mr. Elhard:** — Madam Minister, I don't know enough about the history of that particular facility or the costs associated with it other than what we heard in discussion here a couple weeks ago. But did it ever occur to you or anybody in the organization at the top of SPMC that finding another owner of that facility, finding another group that would take over the operation of that facility, would have been a substantially less onerous task if there'd have been a five year with . . . a five-year option contract for tenancy there?

**Hon. Ms. Higgins:** — We seem to be getting into a lot of hypothetical questions. It may or may not have been an advantage. I mean the decision was made and the decision was made to extend the DND (Department of National Defence) program till the end of September and that the closure would take place at the end of September. With the announcement being made in March, we felt that the six months was a good period of time for the community or interested parties to have a look at and make some type of proposal if there was sufficient interest.

One of the people that I have spoken to is . . . I was a little surprised because it was almost . . . The feeling was there that come September 30, shut-down, boarded-up, you know just walked away from. And that's not accurate. I mean, the heat will be maintained. There will be maintenance done in the area. So if it does take a wee bit longer for a proposal to come forward, that's fine also.

I mean there will probably come a point in time where we will have to make a decision one way or another. But with the interest from the community and throughout the province, we hope that there will be a sustainable proposal come forward

from the community or from interested parties.

**Mr. Elhard:** — I think the local groups will be somewhat relieved to know that the heat won't be shut off anyway at the end of September. That would be a disaster for any reason, whether or not it's sold.

I guess from a business perspective, if I'm the owner of an apartment building and want to sell it, I'm going to have a lot greater chance to achieve my sale price if the occupancy rate is at 80 or 90 or 100 per cent. And if the apartment building is empty, I think I can be held up for ransom by whoever wants to buy it.

So I guess what I would . . . if I have any disappointment with this whole thing, it is not so much that SPMC decided that they wanted to sell it or make it available to other groups, it's the manner in which it was handled. And I think that I would like to see a little more business acumen brought to bear on those kind of decisions.

And I think the expression of the earlier two members who questioned you about that, that, you know, a two-year run-up to the sale may have been a much more appropriate . . . would have been an opportunity, I think, maybe for SPMC to recover some of their losses, to recoup some of the costs associated with that facility if the decision to sell it had been made and advertised and maybe a long-term contract with a tenant was available over a 5- to 10-year period.

I'm not going to pursue that any longer because I think it's a decision that's been made, and I don't think you're going to reverse your decision, frankly. And we'll just hope that some of the difficult lessons learned out of this will be applied to future decisions made by the organization.

I'd like to turn the questioning back to my colleague.

**The Chair:** — Mr. Brkich.

**Mr. Brkich:** — Thank you, Mr. Chairman. Talk a little bit more about leases dealing, I guess, with the rural service centres. I know there were some questions asked here that there may be as much as \$600,000 paid out to leases of abandon . . . or buildings that were leased to rural service centres now that they've been shut down. Do you have an exact figure of how much SPMC will have to pay out to leases on the rural service centres that aren't being used right now?

**Hon. Ms. Higgins:** — The overall revenue that we would receive from the Department of Agriculture for the rural service centres that are leased would be \$566,000. But that isn't strictly lease costs. That would also include the administration and any service fees that are included with the lease.

**Mr. Brkich:** — I know that . . . I think you were asked to try to find other arrangements for some of these lease arrangements. Have any been found?

**Hon. Ms. Higgins:** — Not so far.

**Mr. Brkich:** — Are you going to honour these lease agreements to the end?



**Hon. Ms. Higgins:** — Of course we would.

**Mr. Brkich:** — Just checking with that because I know some of them, I think, run to 2011. And there's been some of the . . . I think one of them is leased to a town and they're quite concerned that you would pull the lease from them.

So when you're looking for . . . And I'm glad that you said no and that you would honour the contracts. So you will be looking for tenants yourself to move into these buildings as time goes on. I take it probably be another government agency if you could?

**Hon. Ms. Higgins:** — SPMC would look for other tenants for the space that is leased. It's part of the service that we provide for government departments. Could be a local tenant, could be a government department tenant. I mean there's no restrictions. We would just look for other tenants for that space.

**Mr. Brkich:** — That's good. It will probably end up being a local tenant because the way this government is yanking services out of rural Saskatchewan, I would doubt if they will be putting any more government agencies out there unfortunately. As time goes on you'll probably be ending up . . . This government's going down the road of having more empty lease arrangements out there as they keep closing facilities and services out there in rural Saskatchewan. So I hope that you will be honouring many of the leases out there.

The member from Meadow Lake said that it is a lobby for some government out there, some services that have been taken out and have been taken out in recent years from rural Saskatchewan.

But getting back to the budget. There's one item in the budget that you have, wind energy initiative. You're providing payments for the purchase of what they call green power. How much is that for?

**Hon. Ms. Higgins:** — What the \$400,000 does is purchase wind energy, and that's up to 22 per cent of our needs — the \$400,000.

**Mr. Brkich:** — Okay, thank you. That purchasing is at a higher price than normal for ordinary SaskPower energy?

**Hon. Ms. Higgins:** — I'm going to have to get you some clarification on this. But I can add that in with the other information we'll send to you.

**Mr. Brkich:** — Thank you, Mr. Minister, or Madam Minister. Just going back from when we were doing SaskPower — was it last year — the wind energy was more expensive, the green power. As a personal homeowner you could apply for it, and I think you paid more on your power bill, if I'm right on it. So I would guess that this extra 400,000 will be extra money you'll be paying up and above that you would normally pay for power.

**Hon. Ms. Higgins:** — Yes. The premium over and above, yes.

**Mr. Brkich:** — That's what I was asking — above the power, yes.

**Hon. Ms. Higgins:** — That's our assumption here, but I just wanted to clarify it before we . . .

**Mr. Brkich:** — I'm almost guessing you're probably almost the only client that has taken that initiative. But that's something that . . . it's a question I'll be putting to SaskPower at their annual reports of how much people, other government agencies that actually are purchasing the extra . . . paying extra premiums for power.

One other item I've got with the . . . and this is a little older one, but it still deals with the auditor's report, and I don't know if you did anything on it. I think it came up Public Accounts, but I don't know if I was there that day.

The auditor recommended that SPMC approve a written and tested disaster recovery plan. And it also goes on to say, we continue to recommend that SPMC approve a written and tested disaster recovery plan. Have you did that; made the report to Public Accounts or how is that coming along?

**Hon. Ms. Higgins:** — Mr. Chair, SPMC agreed with the Provincial Auditor's recommendation and have since worked towards . . . they have developed and tested a disaster recovery plan and believe that they are in compliance with all of the recommendations made by the auditor.

**Mr. Brkich:** — Thank you. Has the auditor seen it and has he approved it?

**Hon. Ms. Higgins:** — We believe that we have met the auditor's recommendations. And we will find out. I mean, once the auditor has gone through and released his next report we will see the final outcome of that, but so far we believe we have met the recommendations.

**Mr. Brkich:** — Thank you, Madam Minister. I guess if you did a written recovery plan, can that be submitted to us with some of the information that's forthcoming too, would that be a problem?

**Hon. Ms. Higgins:** — No problem that we know of.

**Mr. Brkich:** — I thank you, and I'll be looking to read through that.

**Hon. Ms. Higgins:** — Now as long as you promise to read the whole thing and we'll test you on it after. Okay.

**Mr. Brkich:** — Like the member from Cannington said, I always will, always does, or will. And if I can't he'll help me with it.

Madam Minister, on the auditor's report, it also talked about providing more public with additional information about the current . . . about the capacity of its facilities and vehicles, including the current condition of potential volume of service and about the extent to which use of its key infrastructure . . . it goes on a little bit more than that. Have you did anything on that recommendation?

**Hon. Ms. Higgins:** — There has been progress made on that issue already. It will be reported in our annual report, '03-04

report, and we will continue to work on it.

**Mr. Brkich:** — Thank you.

**Hon. Ms. Higgins:** — . . . I just want to back up a wee bit. When we talked about the disaster recovery plan, there isn't a problem releasing it as far as we know but there may be parts that are confidential for security reasons and that will not be released. But what we can, we will release to you.

**Mr. Brkich:** — Thank you, I appreciate that. I just have one more topic and then . . . myself and then I'll turn it over to the member from Cannington. But I know that the Finance department is moving to summary finance and they will be changing each department on how they list their assets and book value of buildings, things like that. I was just wondering, how is that going to affect your department when it comes to doing budgets on . . . I'm not sure with a lot of property you own how the . . . is it going to change the way you do your book value on your assets?

**Hon. Ms. Higgins:** — Mr. Chair, SPMC is a Treasury Board Crown so we are not part of the General Revenue Fund. Currently our assets that are acquired are amortized and that's outside of the GRF. We are contained in the summary financial statements though, but as for our specific accounting processes, nothing is anticipated to be major changes from what we are currently doing.

**The Deputy Chair:** — I recognize the member from Cannington.

**Mr. D'Autremont:** — Thank you very much. A question I have for SPMC is: are you involved in any way with the parks in owning and assisting them with properties and equipment?

**Hon. Ms. Higgins:** — No, we're not involved in any of the building issues in the parks.

**Mr. D'Autremont:** — How about with equipment issues. Are you involved with them as far as equipment ownership, leasing, renting?

**Hon. Ms. Higgins:** — The extent of SPMC's involvement in this area would be that we may own some of the vehicles that they use, trucks they use or vehicles.

**Mr. D'Autremont:** — You would not own then any of their like grass-cutting equipment, snowmobile trail equipment, ski trail equipment, you know, boats, those kind of things.

**Hon. Ms. Higgins:** — No, that wouldn't be ours.

**Mr. D'Autremont:** — Okay, thank you. One of the issues that I came across in the last few weeks was dealing with security matters. And I'm just wondering what SPMC is doing along that manner to ensure the security of SPMC's buildings, property, people in those buildings and on those properties. What kind of work have you been doing to ensure that the safety of the people there is provided for and that you have plans in place to deal with any potential incidents that might occur?

**Hon. Ms. Higgins:** — Just to go back a minute. We do own the buildings in the parks, but they are under the control of the Environment department and anything that happens within the parks would be the responsibility of the Department of Environment and under their control.

**Mr. D'Autremont:** — Okay. Well my security question wasn't related to the parks but that's good anyways.

**Hon. Ms. Higgins:** — And I was only half listening . . . sorry.

**Mr. D'Autremont:** — But back on the park issue. Do you own or operate any of the physical land operations within a park, I'm thinking of golf courses?

**Hon. Ms. Higgins:** — No.

**Mr. D'Autremont:** — Okay. We'll go to the security. Now this is in general with SPMC's buildings and ensuring security of the buildings, premises, properties and the people that work or visit within them, has SPMC done any work since 9/11 in particular, to ensure security of its properties?

And with the incident that happened with Tony Blair in the House of Commons here about two weeks ago, certainly created a stir and an interest in the House of Commons. Not just for the fact that the people were allowed into the facility but the plans that were in place to deal with an incident that might occur and how it would be dealt with to ensure that the security of the facility was maintained, that it's integrity of whatever substance or incident was occurring was contained within that area.

So has SPMC been doing any work along this line for ensuring security of its properties and to the eventuality of an incident happening that there would be a plan in place on how to deal with the perpetrators and the people in the area?

**Hon. Ms. Higgins:** — There's a number of things in place at a variety of SPMC facilities and I mean you run into 24-hour monitoring of many of the facilities. I mean we all have our key cards for entry, and there's commissioners, there's security patrols. There are evacuation plans that are set up for each of the buildings. Mail services provides the monitoring of packages. We've all seen that downstairs, the scanning of packages, dealing with unusual packages.

And also the employees are trained for a variety of situations and emergency situations that may arise — contacting police, who should be contacted in certain situations. So that's kind of a quick overview.

**Mr. D'Autremont:** — Madam Minister, when you mention evacuation plans, just wondering how many people are aware of what those evacuation plans might be? Are the employees in the building aware of what those plans might be? Are the managers who may be giving direction to people and visitors within the areas, do they know the evacuation plan?

And the reason I ask that, it was part of the problem that happened in Great Britain. In the House of Commons there was . . . Had this been an incident with Tony Blair where there was a toxic substance involved, they evacuated the chambers and that

could easily have spread that throughout the entire House of Commons and into downtown, you know, the central core of London.

So because people . . . There was a plan in place but the people involved didn't know what the plan was. And so they simply reacted to it. So I guess, you know, have you made known what the plans are for the individual buildings to the people who would be responsible to look after any evacuation or in the case of some substances, no evacuation?

**Hon. Ms. Higgins:** — I would assume you're . . . I mean it would depend on the substance and the threat that we were dealing with. But I know on our office doors there is exits marked. There is floor plans for the floor that you are on that is on the main doors of any of the offices that I have been in in this building. Staff should be made aware. Each of us has to take a responsibility to maintain a safe workplace.

Now here we're flipping into another portfolio, but I will give you a bit of a spiel here. Safety is not only a responsibility of someone else. We each have a responsibility as employees, workers within this building, that we know the exit routes. It's something that we should each take time and pay attention to and be aware of. We should also take part in . . . I mean it was just a week ago where there was a fire drill within this building. It gives each of us a little bit of practice on where the exits are, what's the quickest way for us to exit this building if there was an emergency or something that we needed to evacuate the building for.

And we do rely on the people within this building, that work within this building, for security issues and for the decision that they are trained to make as to whether an evacuation or we should be maintaining where we are within the building.

But you're right, it needs to be something though each of us needs to put some attention into and make sure that the people in our offices and that we work with are aware of the best procedures and where exits are appropriately reached from our offices.

**Mr. D'Autremont:** — Thank you. You see, I'm not just thinking of, you know, in case of fires where you would normally go to the exits when the bells ring, etc., etc. But there's also circumstances where you may not want to evacuate a building and spread any contaminant around the area. And so people need to know what the plan is in those cases as well.

And it's not just this building. It could be any of SPMC's buildings, any of the government buildings that could be involved in this kind of a situation.

I mean, it's highly unlikely that it would ever happen in Saskatchewan, but I think on the floor of the House of Commons they thought it was highly unlikely there was going to be an attack on the Prime Minister on the floor of the chambers either. But it happened.

And I think we need to take a look at and be thinking about and developing appropriate plans to deal with circumstances where there could be an attack with a toxic substance where you wouldn't want to be evacuating everyone out of an area and

spreading it around, where you need to contain it. And the problem is when the attack initially happens, the incident, you don't know what the substance is.

And so how . . . You know, you've got to have a process in place, a decision-making process, and a process in place that all the participants know is the proper procedure. And, you know, I'm hopeful that within SPMC's realm that you are taking a look at this and will take a look at this and develop proper protocols to deal with this issue.

**Hon. Ms. Higgins:** — Thank you very much. The member makes a good point and . . . because we live in Saskatchewan, and it is an extremely friendly province, an open province, and I think it's one of the things that as MLAs and members of this Legislative Assembly that we take great pride in, that this building is the citizens of Saskatchewan's building and they have access to it.

But you're right. There needs to be plans in place, and more so than plans in place — we all need to be aware of them. So good point, and I thank the member for that.

**The Deputy Chair:** — Mr. Brkich.

**Mr. Brkich:** — I guess we'll end the questioning. I have one quick question, a little comment. We'll end it the way we started it.

When we started, SPMC first come up, we talked about the ashtrays out front, and also I've had a lot of comments on the geese and the mess that's happened on some of the sidewalks and the steps with Princess Anne coming. Just what are you . . . is there any change since the last time? I know you talked about putting ashtrays out front.

And I know there's probably two trains of thought. The one is if you don't have the ashtrays maybe the people won't come out from the building out front to smoke.

But the other one is . . . Today I walked up with somebody this morning. A visitor was smoking a cigarette and, just normally, when they come in the building they know they can't smoke in any building. They look for that ashtray to put it out. They're just having the last cigarette as they've either walked in or walked from their vehicle and looking for a place to put it, and there's no place to put it. And he's looking around, so I mean he does what . . . what are you going to do? You know, he puts it . . . drops it there. And I know that . . . people that say some mornings it gets quite a few butts they're cleaning off there.

And the geese . . . the kids, I don't even . . . I wouldn't even want to be out on that grass playing football. And I think that's why there isn't as many of them out there lately as there is. But getting back to that, I just . . . those are two questions. I don't know what you're going to do with them, if you want to answer them, but I know that they've been brought up to me quite a bit.

And with that I would also like to thank the officials for coming here for our questions, and for the information that will be coming, forthcoming. And I want to thank Madam Minister for being here today with her officials and answering the questions.

**Hon. Ms. Higgins:** — Thank you very much. We have made some inquiries and looked into the issue of ashtrays. I assure you that the steps will be swept before Princess Anne gets here, but it is an issue that needs to be addressed. As for the geese, they are wonderful; it is great to see the park alive. It may be an inconvenience at times and you do have to be aware of where you're walking, but it keeps us all just a little more aware when we are out for a stroll. I'd hate to see the park without the geese.

So, but anyway, thank you for your questions. And I would like to thank my officials for all the good work that they do throughout the year, and for the information that they prepared for us today. So thank you very much.

**The Chair:** — Thank you very much, Minister. Provision of central services to government (SP01) for the amount of \$2,008,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (SP01) agreed to.

**The Chair:** — That is carried. Asset renewal (SP02) for the amount of \$14,400,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (SP02) agreed to.

**The Chair:** — That is carried. Wind energy initiative (SP03) for the amount of \$400,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (SP03) agreed to.

**The Chair:** — That is carried.

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2005 for Saskatchewan Property Management Corporation for the amount of \$16,808,000.

Is that agreed? Is that agreed?

**Some Hon. Members:** — Agreed.

Vote 53 agreed to.

**The Chair:** — That is carried. Also there are some supplementary estimates.

**Supplementary Estimates  
General Revenue Fund  
Saskatchewan Property Management Corporation  
Vote 53**

**Subvote (SP02)**

**The Chair:** — Thank you. The supplementary estimates are on page 3 of the Estimates book. Saskatchewan Property Management Corporation, vote 53, asset renewal (SP02) for the amount of \$4,500,000. Is that agreed?

**Some Hon. Members:** — Agreed.

Subvote (SP02) agreed to.

**The Chair:** — That is carried.

Therefore resolved that there be granted to Her Majesty for the 12 months ending March 31, 2004 the following sums for Saskatchewan Property Management Corporation for the amount of \$4,500,000.

Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That is carried.

Vote 53 agreed to.

**The Chair:** — There is a resolution. And we thank the minister for being here and we thank her officials. And we will now distribute the first report, the draft first report of the Standing Committee on Crown and Central Agencies. And we'll distribute that now.

Okay, members. We have three resolutions that we need members to pass. The first one is:

That there be granted to Her Majesty for the 12 months ending March 31, 2004 the following sums, \$4,500,000.

Would a member care to move that? Mr. Borgerson.

**Mr. Borgerson:** — I so move.

**The Chair:** — That is moved. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That is carried.

The second is:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2005 the following sums, \$16,808,000.

Would a member care to move that? Mr. Sonntag.

**Hon. Mr. Sonntag:** — Agreed.

**The Chair:** — Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That is carried. Also there was a draft report that has been distributed and the motion would read:

That the draft first reading of the Standing Committee on Crown and Central Agencies be adopted and presented to the Assembly on June 3, 2004.

Would a member care to move that? Mr. McCall.

**Mr. McCall:** — Agreed.

**The Chair:** — Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That is carried.

That concludes the first item on the agenda

**Bill No. 9 — The Electrical Inspection  
Amendment Act, 2004**

**The Chair:** — The second item on the agenda is Bill No. 9, The Electrical Inspection Amendment Act, 2004. And I recognize the minister to introduce his officials.

**Hon. Mr. Quennell:** — Thank you, Mr. Chair. To my left is Grant Schellhorn who's the chief electrical inspector. To my right is Jonathan Kalmakoff, legal counsel for SaskPower. Immediately to his right is Myron Gulka-Teichko, vice-president, general counsel, and assistant secretary. Behind me is John Wright, president and chief executive officer of SaskPower. On the other side of the table, Pat Youzwa, vice-president of customer services. And in between them, Margo Hurlbert . . . (inaudible interjection) . . . close enough — assistant general counsel.

**Clause 1**

**The Chair:** — Clause 1, short title. Did the minister have a statement that he wanted to make or are we prepared for questions?

**Hon. Mr. Quennell:** — Prepared for questions. And briefly, the Act being amended is an Act concerned with public safety and the amendments are simply to clarify provisions within the Act surrounding issues of public safety.

**The Chair:** — Okay. Mr. Elhard.

**Mr. Elhard:** — Thank you, Mr. Chairman. And good afternoon, Mr. Minister, and to your officials from SaskPower. We appreciate this opportunity to ask some questions about the Bill in front of us today and to maybe get some clarification on a number of points that have been brought to our attention by our own research, by reading through the Bill, and through presentations that have been made to us by those concerned about the implications of the Bill.

Mr. Minister, you said very briefly this is about safety. Is that the sole purpose of this Bill? Can you elaborate on what the intention, the more full intention of this particular piece of legislation is?

**Hon. Mr. Quennell:** — Well I guess I could read my second reading speech again and that, well, that would be the . . . essentially what I would be doing. And in that, in those remarks, I set out the various changes to more carefully, more precisely deal with certain public safety issues in the Bills.

There is, as the member will be aware, Mr. Chair, legal clarification. Electrical inspectors have to carry identification

cards; the express provision for the chief electrical inspector to cancel or refuse to issue a permit where the person is supplying or transmitting or distributing electricity without the consent of SaskPower; the legal authority for the chief electrical inspector to issue public safety bulletins; an important amendment providing for a general prohibition against acts of obstruction against inspectors during the performance of their duties; increasing from one year to two years the time for the inspector to investigate an offence. And we can get into the reasons for that. An increase in fines for ultimate penalty amounts with the amount remaining in the court's discretion but having a maximum provided for in the Act; providing for directors' and owners' responsibility for negligence; and strengthening the process for administrative penalties, providing more due process for the penalties that are already in place.

**Mr. Elhard:** — Mr. Minister, I'm not sure how we should best attack this piece of legislation, whether we should go through it sort of clause by clause, or on a subject matter. But I'm going to start, I guess, by asking specific questions about various clauses, and that might lead us into broader discussions that might be beneficial.

In the Act, in section 3 — the new section 3 — there's a number of qualifications in there about what this Act applies to. And it talks about:

all work of electrical installation;

(and) the inspection of all work of electrical installation  
. . .

the design, manufacture, display, advertising, sale and use  
of electrical equipment.

Now I'm not sure, to be honest with you, what role the display and advertising areas of this particular sentence . . . How does that come into play here? What is the purpose of including display and advertising of electrical installation got to do with safety?

**Hon. Mr. Quennell:** — And again, on the broad theme of public safety, the Act has to do with the installation of electrical equipment. And the concern on the part of SaskPower, and I think our concern as leaders in the province, that the equipment that is installed in people's homes and people's businesses is certified and safe. And the equipment that is advertised as being certified and advertised as being up to code — and in fact that those are true advertisements and true statements.

**Mr. Elhard:** — Would that not, would that kind of misleading information not be covered under other pieces of legislation? Or do you not want to rely on other legislation to achieve your objective?

**Hon. Mr. Quennell:** — There are general provisions of course for consumer protection in other pieces of legislation, but it has been the mandate of SaskPower under The Electrical Inspection Act to assure that the equipment installed, electrical equipment installed, is certified and up to code.

**Mr. Elhard:** — If we can move down to, I guess point (b) under section 3 . . . subsection (2), point (b). It talks at the last

instance here of any prescribed electrical equipment.

Now there's some exclusions that are noted in the legislation previous to that. It talks about rail lines . . . or railway cars, locomotives, transmission lines, distribution systems, on elevators as defined by The Passenger and Freight Elevator Act, or any prescribed electrical equipment. Can you define what prescribed electrical equipment might be?

**Hon. Mr. Quennell:** — I'm advised that there is no current examples of electrical equipment prescribed in the regulations but there is equipment under consideration — network communication equipment or equipment that perhaps the section need not apply to.

**Mr. Elhard:** — When you say, when you give that definition, you're talking about communications equipment primarily? Computers, electronic equipment of that nature?

**Hon. Mr. Quennell:** — Data cables or computers might be an example of equipment that would be prescribed in the regulations.

**Mr. Elhard:** — Just moving ahead, I'd like to go to section 7 amended. It's point no. 6. And I notice that it says here:

No person whose services are engaged pursuant to this section shall inspect:

any work of electrical installation that he or she has performed or in which he or she has any direct or indirect interest . . .

And secondly, item (b):

any electrical equipment if he or she has any direct or indirect interest in the sale of that electrical equipment.

You know, I looked at that in the first instance. I thought that's pretty straightforward. In fact it makes, you know, it's good common sense. I can understand why we'd want to say that.

But in retrospect, and having looked at this a little further, I'm wondering whether we shouldn't be a little more forceful about who should not be engaged in this inspection. I'm wondering if we shouldn't be saying here that inspectors of . . . you know, who are required to make, you know, very important decisions about the quality of work and the safety and application of work — I'm wondering if inspectors ought not to be restricted from or prevented from having a contractor's licence at all.

You know, if we're going to have people who have licences but you don't want to put them in any positions of conflict of interest, you're prescribing areas where they might have conflicts of interest.

But in reality, you can't get around any and every potential conflict of interest. It might be better to say that inspectors are not to be contractors, are not to be licensed as contractors, if you want to eliminate completely the potential for conflict of interest.

**Hon. Mr. Quennell:** — With respect, I think the member's first

impression was the correct impression and that is because the situation is actually the reverse.

There are 23, I believe, electrical inspectors employed by SaskPower and sometimes that is the efficient number. But there are, on occasions, backlogs where electrical contractors are hired as inspectors.

And the ability to do that, the power for SaskPower to hire contractors as inspectors, allows them to keep an efficient number of inspectors on staff. If you had to allow for the peak times you would have to employ more full-time inspectors than you would need most of the time. So that flexibility that allows you to hire private contractors as inspectors is the most efficient way to proceed.

Well we can't prevent a contractor from being hired as an inspector. Well we could. We could say nobody who does contract work can be an inspector, but then we would just have to hire more staff because that would exclude all the electrical contractors in the province who can act as inspectors when they are required to do so.

But it is quite proper and appropriate, as the member pointed out, that someone who has been hired as an inspector on a part-time basis to help the backlog not inspect their own work. And that's what the section is supposed to provide for and I think it does but not sufficiently.

**Mr. Elhard:** — Mr. Minister, how frequently would you find SaskPower in a position where they have a backlog of inspections that they're having a difficult time accounting for?

**The Chair:** — Why is the member on her feet?

**Ms. Bakken:** — With leave to introduce guests.

**The Chair:** — The member has requested leave to introduce guests. Is leave granted?

**Some Hon. Members:** — Agreed.

**The Chair:** — I recognize the member for Weyburn-Big Muddy.

#### INTRODUCTION OF GUESTS

**Ms. Bakken:** — Thank you, Mr. Chair, for leave. It's my honour to have with us today in the Legislative Assembly the students from grades 8 and 9 from Bengough School. And I'd just like to tell members of the Assembly that Bengough is located right on the edge of the great Big Muddy Valley in southern Saskatchewan and they live in one of the most beautiful parts of our province.

I'm glad to have them with us today and I look forward to meeting with you all later. They're accompanied by their teacher, Peter Bell. I do not have the names of the other parents that are accompanying them but I'd like to welcome them and welcome the students especially today to their legislature.

**Hon. Members:** Hear, hear!

**The Chair:** — I recognize the minister.

**Bill No. 9 — The Electrical Inspection  
Amendment Act, 2004  
(continued)**

**Clause 1**

**Hon. Mr. Quennell:** — There at any given time might be a backlog in some part of the province and these aren't necessarily provincial-wide backlogs. They are backlogs that exist in particular areas.

I've been advised that in Prince Albert we have a contract coming to an end with the Prince Albert Grand Council where electrical contractors employed by them are acting as inspectors. But again, we would want to make sure they were not inspecting their own work and that's why the amendment is here.

**Mr. Elhard:** — So does this kind of situation occur frequently and even though it might be sporadic or happening in various locations around the province, does it happen frequently enough to really make this a problem?

And the other question I would like to ask in connection with that is how many individuals are we talking about that might be appointed as inspectors even though they are licensed contractors as well?

**Hon. Mr. Quennell:** — My understanding is that it is infrequent, but it's still a provision that we would like to have, obviously, to be able to contract out when there's excess demand for inspections in any particular area. And as long as a person was not inspecting their own work, there shouldn't be a conflict of interest.

**Mr. Elhard:** — Could a situation arise, Mr. Minister, where some individual was appointed as an inspector, he held a contractor's licence, was seconded to the inspection role for a certain period of time, would he not — according to some provisions in the Act — have the right to then go and, you know, appoint other people as inspectors, and appoint other contractors to do work in a situation where he might find a fault with some work he has most recently inspected?

**Hon. Mr. Quennell:** — No.

**Mr. Elhard:** — There's no opportunity for somebody who has been appointed a temporary inspector to shut down work and then have somebody else come in and do that work?

**Hon. Mr. Quennell:** — No.

**Mr. Elhard:** — That isn't the reading I get from some of this legislation. I mean I assume that there are points at which, having read through the legislation, that if somebody is made and appointed inspector, that at some point in the role that that individual is playing, they would have an opportunity to send somebody else out, another contractor, to repair work that they had deemed ineffective or unsafe or inappropriate.

**Hon. Mr. Quennell:** — My no was to the original question of

whether this contractor, who's an inspector, could appoint another inspector. There is no provision for doing that. The corporation appoints all the inspectors.

**Mr. Elhard:** — I may have misspoke myself; that has happened from time to time. So maybe I used the wrong terminology. I'm sorry, okay.

I think, you know, we could move on to some of the other section here. I think there's lots of questions that some of my other colleagues want to ask so maybe I should turn some of the discussion over to the member from Cannington.

**The Chair:** — I recognize Mr. D'Autremont.

**Mr. D'Autremont:** — Thank you. We do have a number of questions related to this Bill that entails various parts of it. It's quite similar to a Bill that we were looking at last week, I believe it was, the Bill No. 8, the gas inspections Act. And likewise on this Bill, I have difficulty with the vicarious liability that we discussed on that particular Bill. And I have come up with a couple of other pieces of legislation that also have vicarious liability as part of their structure but that are done in a different manner than is in this particular Bill. And in my opinion — and I'm not a lawyer; I'm simply a layman trying to read this — that is clear what the intent is and how vicarious liability functions.

I'm looking at The Tobacco Control Act of 2001, and under this particular Act vicarious liability is written as:

In a prosecution for an offence pursuant to this Act, it is sufficient proof of the offence to establish that it was committed by an employee or agent of the accused, whether or not the employee or agent is identified or has been prosecuted or convicted . . . (of an) offence, unless the accused establishes that the offence was committed without his or her knowledge . . .

I'm wondering what is wrong with this particular piece of legislation in comparison to the one you're proposing for vicarious liability in Bill No. 9, the amendments to the electrical inspectors Act.

**Hon. Mr. Quennell:** — Mr. Chairman, it won't surprise the member or anybody else that I don't have any criticisms of The Tobacco Control Act.

The type of legislation that we're dealing with in this particular case is much closer to, say, The Environmental Management and Protection Act from which the wording that we are using in this Act was drawn, in that the consequences, the immediate consequences of unsafe electrical installation, just as the immediate consequences of certain environmental infractions, could be very dramatic and very severe.

Not to understate the seriousness of selling tobacco to minors, it doesn't immediately cause someone's death by electrocution, for example. And therefore the mental element that remains in The Tobacco Control Act, it's not there in the environmental protection management Act. It's not there in certain inspection Acts that have to deal with very dangerous installations, either natural gas or electricity, because of the very serious issues of

public safety.

And again, what is being done here . . . and I say again, because we did have this discussion as the member points out when we were dealing with The Gas Inspection Act. The issue is not a matter of guilt or innocence, or changing the presumption or burden of proof. But it's an issue of providing an incentive for owners to be knowledgeable and be aware of what is being done by their business, and specifically not to provide an incentive to be wilfully blind about what is being done in this area that involves very direct concerns about public safety. This is the electricity and the gas that runs into people's homes.

**Mr. D'Autremont:** — Thank you. I wonder if you can explain to me then how the prosecutions under Bill No. 9 or Bill No. 8 will be dealt with more expeditiously than prosecutions under The Tobacco Control Act.

**Hon. Mr. Quennell:** — Mr. Chair, perhaps I wasn't clear. It's not so prosecutions are more expeditious. It's recognizing that there is a greater public interest in assuring that there is no incentive for the owner of the business to be wilfully blind of negligence in the case of installations of electricity in the case of this particular Act, or natural gas, because of the dramatic serious consequences that can take place as a result of negligence. That is an explosion or an electrocution.

**Mr. D'Autremont:** — Well we're dealing with a piece of the Act that deals with prosecutions, not with inspections, not with fixing the problem but rather with the prosecution of an offence that has occurred. So when you talk about speeding up the need to act more quickly to speed up the process, because of the circumstances, you're not talking about fixing the problem today. You're talking about prosecuting someone for a problem that exists and whether or not there's proof, whether or not you need proof. And so someplace else in the Act you should be dealing with the necessity to make sure that the work is done in a proper and timely manner.

We're talking under vicarious liabilities about prosecutions of offences. And it seems to me that when I asked you to explain this, where the allow . . . how it would work, how it would allow for this to happen faster, quicker, stronger, better, under this particular piece of legislation than under The Tobacco Control Act . . . what is there in this particular Act that is more onerous than the wording under The Tobacco Control Act?

**Hon. Mr. Quennell:** — With respect, Mr. Chairman, this part of the Act does not deal with prosecutions primarily. This part of the Act deals, as the member said, vicarious liability. It deals with liability. This part of the Act sets out — and is a matter of education and deterrence which legislation often is — sets out clearly that an owner will be responsible for the negligence of an employee, and that being wilfully blind and wilfully ignorant of what an employee has done is not going to be a defence.

The purpose, of course, is to assure that owners are aware of what is being done and are careful that it is done properly. And it's a question of liability. The removal of the mental element and that for making the liability stricter than it is in The Tobacco Control Act has to do with the results of the negligence. The results of the negligence here can be in any particular one circumstance very dramatic, very dangerous.

**Mr. D'Autremont:** — Thank you, Mr. Minister. So you're saying then that the words, in any prosecution, are . . . (inaudible) . . . to this clause?

**Hon. Mr. Quennell:** — The question of liability will be dealt with in a prosecution.

**Mr. D'Autremont:** — So then prosecution is very much a part of this piece of the legislation. So how do you speed up the process under the electrical inspections Act versus the process under The Tobacco Control Act when you're still dealing with prosecutions?

**Hon. Mr. Quennell:** — The purpose of the section is not to make prosecutions quicker than in other legislation where the language used around vicarious liability is different. The purpose of the section is to make stricter liability here than perhaps in some other Acts where the consequences of the negligence or the wrongdoing are not quite as serious or immediate.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. So my first question was, what is the difference in the benefit between vicarious liability section clause under electrical inspection versus The Tobacco Control Act? And you said it would allow you to move things forward more precipitously, that it would have more impact. So you're saying then that the differences are that it's stricter, that there is less need then for proper rules of evidence? Is that what you're saying?

**Hon. Mr. Quennell:** — If I misled any of the members I apologize, Mr. Chairman. What I am saying is that because of the consequences of negligence, you know, electrical installation, it is important that the owner, the person responsible, not have an incentive to be ignorant of how the installation was actually done — and more so here and in the environmental protection management Act than in some other cases. It has nothing to do with how expeditious the prosecution is going to be. But the legislation will set out clearly that an owner is responsible even if they have tried to keep themselves . . . or haven't bothered to keep themselves informed of how the installation was actually done.

And that clearly provides an incentive for the owners of an electrical contractor business to be careful that their employees, in an appropriately careful way, do electrical installation — which the vast majority of electrical contractors do. But it is the responsibility of SaskPower under this legislation to make sure that the entire public is protected from negligent electrical installation. And as I said at the beginning when I was invited to do so, this is Act is about public safety.

**Mr. D'Autremont:** — Mr. Minister, what if the employer — whoever it might be, whether it's an independent private contractor or even SaskPower — has been careful to ensure that the work is done properly, and yet it's been found by an inspector not to have been done up to the standards required by that inspector? How does the employer, the corporation, Crown corporation, protect themselves under those circumstances?

**Hon. Mr. Quennell:** — There is due process, as the member will have seen, built into the Act and into the amendment Act. There is an appeal from an electrical inspector's decision which



has to be in writing — but that's I think a reasonable provision — to the chief inspector to further appeal to the courts. And as to whether there has been negligence or not, that is a high standard. That is the standard set by criminal law.

Now on the issue of the mental element of knowledge, yes, we are requiring in the amendment Act that the person responsible — the electrical contractor responsible — has an incentive to know how the work was done. But whether the work was done properly or not, that remains the same presumption of innocence that would exist otherwise, and the process on the prosecutions provides both an appeal internally from the inspector to the chief inspector and externally to the courts.

**Mr. D'Autremont:** — Is there any reasonable limit to the power exercised under this clause that the employer or the corporation has taken every reasonable step to ensure that they have complied with the Act and the proper installation of these . . . of any facility?

**Hon. Mr. Quennell:** — Well the court, if we're dealing with matters that are appealed to a court, will always apply reasonable limits. And secondly, of course, what the employer is being held responsible for would have to have been done within the employee's course of employment so . . . if the member has further questions. But clearly someone who outside the course of employment does something that is detrimental to the owner of the place where the installation has taken place, if that's outside the course of employment, of course the employer's not responsible and that's part of the principle of vicarious liability.

**Mr. D'Autremont:** — Under the clause it says that:

In any prosecution of a person for an offence pursuant to this Act, it is sufficient proof of the offence to establish . . .

And I'd like to skip that next sentence because . . . but:

. . . that it was committed by an employee . . .

Who is required to prove or disprove that it was committed by an employee? Is it the inspector's role to determine that it was committed by an employee, or is it the contractor, the corporation's role to prove that it was not committed by an employee?

**Hon. Mr. Quennell:** — It's not the contractor's role; that onus isn't on the contractor. The onus would be on the prosecution to prove that it was an employee.

**Mr. D'Autremont:** — Thank you.

**The Chair:** — Mr. Elhard.

**Mr. Elhard:** — I'd just like to pick up on the questioning of my colleague.

Then how does an innocent party protect themselves from the implications of this piece of legislation? It might be a disgruntled employee, it might be sabotage that created the problem found by the inspector.

I mean this reflects almost a reverse onus principle here, and I'm kind of troubled by that. I think that there's far too much power being given to the inspection, or the inspection process and SaskPower in this kind of instance.

**Hon. Mr. Quennell:** — Well first of all sabotage is in the course of employment. Secondly, due diligence would always be a defence. But we do want the incentive for the contractor to be aware of what the employees are doing in the course of employment.

**Mr. Elhard:** — If there's going to be that much onus on the employer, there's almost no need for inspection, Mr. Minister.

**Hon. Mr. Quennell:** — With respect, Mr. Chair, how would the member propose people find out that the electricity was negligently installed — by fire?

**Mr. Elhard:** — Well I guess the situation here basically is putting all of the onus on the contractor. I mean this particular section puts all of the onus on the contractor. And whether he's liable or not, there is an onus on him to make sure that there is nothing wrong with that particular job site, with that particular project.

And you know while I don't think that there's any problem holding some responsibility at the feet of the employer, I find the wording of this really troubling.

. . . it is sufficient proof of the offence to establish, in the absence of any evidence that the offence was committed without the person's knowledge, that it was committed by an employee, helper or agent of the person, whether or not the employee, helper or agent:

(a) is identified; or

(b) has been prosecuted or convicted for the offence”.

So we have a situation where the employer can be held liable for the offence without being able to identify who did it, without any evidence that the person knew, and that, you know, there was anything wrong with this in the first place.

**Hon. Mr. Quennell:** — That there has been a negligent installation still has to be established. The statement that there doesn't have to be liability is, with respect, incorrect. The contractor, upon agreeing to do this work, which is their business and which is inherently potentially dangerous work for the consumer in particular, has taken on a duty to ensure that the work is being done competently and appropriately.

And the principle of vicarious liability is not a new principle. It is an ancient principle, as I said when I was speaking to the other piece of legislation.

What we have in very few cases, fortunately, is situations where owners have attempted to escape liability for negligent installation by saying, I wasn't aware that happened. There should be a disincentive when dealing with work of this importance to public safety, for there to be due diligence and no wilful blindness in respect to what employees do.

If this was the selling of tobacco or alcohol or some other product that is harmful but not immediately fatal in the way that electricity can be, different language might be appropriate. But we feel that this is the appropriate language given the public safety concerns raised by the installation of electricity.

But the duty of the contractor comes upon the contractor agreeing to be engaged in that type of business for the consumer.

**The Chair:** — Members, I know members have other commitments and they're having to leave now. So it being past 5 p.m., the consideration of this Bill and this committee stands adjourned.

The committee adjourned at 17:02.

