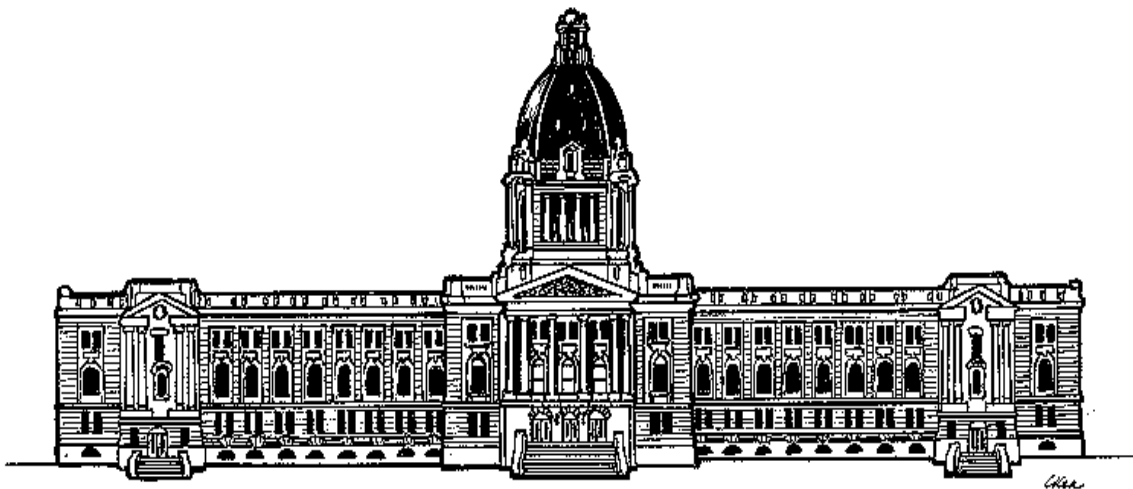




STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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Saskatoon Fairview

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Mr. Bill Hutchinson
Regina South

Ms. Victoria Jurgens
Prince Albert Northcote

[The committee met at 15:01.]

The Chair: — I'd like to call this committee meeting to order and welcome the minister and his officials, committee members, and Mr. Elhard who will be sitting in for Mr. Doke for a few minutes.

This afternoon we will be considering four bills: Bill 59, *The Animal Identification Amendment Act, 2012*; Bill No. 60, *The Animal Products Amendment Act, 2012*; and then a little later on, Bill 48, *The Management and Reduction of Greenhouse Gases Amendment Act, 2012*; and Bill 47, *The Saskatchewan Watershed Authority Amendment Act, 2012*.

Bill No. 59 — *The Animal Identification Amendment Act, 2012*

Clause 1

The Chair: — At this time we'll begin by considering Bill 59, *The Animal Identification Amendment Act*. I'd like to welcome the minister and his officials and ask the minister to introduce his officials and give a few opening comments.

Hon. Mr. Stewart: — Thank you very much, Mr. Chair. The officials that are with me today: to my left, Mr. Rick Burton, assistant deputy minister; to my right, Mr. Paul Johnson, executive director of the livestock branch; seated behind me, Deputy Minister Alanna Koch; to her left, Tyler Lynch, chief of staff; and to her right, Mr. Roy White, assistant director, livestock branch.

Bill 59, *The Animal Identification Amendment Act* — I'll make my introductory remarks very brief because I know that we don't have a lot of time for these bills and I know that Ms. Sproule will want some time for questions — but amendments to the Act will provide the necessary flexibility in how inspection services can be offered in the province. Currently the Ministry of Agriculture staff provide this service. No other province in Western Canada has government delivery of brand inspection. This change will bring Saskatchewan in line with other Western Canadian provinces.

An industry committee was formed in July of 2012 to analyze options for the alternative delivery of brand inspection in Saskatchewan. The industry supports this move. An industry-led model we believe will provide more efficient service and looking at an integrated approach with Alberta and British Columbia. Alberta is served through a service they call ILS, and we will be looking at a system very similar to that.

The proposed legislation is enabling in nature. Exact details of how the new model will operate are yet to be determined by the industry. Legislation will allow for a broad range of possible structures while ensuring the Ministry of Agriculture maintains legislative responsibility. We hope to have a new system in place later this year. And we are happy to answer any questions on Bill 59.

The Chair: — The committee is open for questions. Ms. Sproule?

Ms. Sproule: — Thank you very much, Mr. Chair, and thank you, Mr. Minister, for those comments. I just have a few questions on this bill. I think I understand the intent of it.

Just some questions first of all coming from your comments on November 13th, 2012, when you gave the second reading speech to the bill. And the first comment you made was that the current bill "... is not flexible enough to allow industry to control the delivery of services that they need." And I guess my question here is how would devolving the inspection of brands allow the industry to control delivery of services?

Hon. Mr. Stewart: — Well the existing Act refers to government inspectors I believe in several locations. Of course government is totally in control of the brand inspection system in the province while at the same time the industry pays for it. This would allow the industry to not only continue to pay for it but to operate the system as well.

Ms. Sproule: — Do you have any empirical evidence that the government service that's been provided is insufficient or deficient in some way to the industry?

Hon. Mr. Stewart: — No, I don't think that's being alleged by anybody. But since industry is paying the full cost, and since Alberta, under the ILS system ... The industry operates that system. It is cheaper at this point than the Saskatchewan system, which has just moved to cost recovery in the last year or so after having been subsidized for some years following BSE [bovine spongiform encephalopathy].

It's clear I think that the industry knows their business better than government does, and they can ... They certainly have the capability to operate the brand inspection system in perhaps a more flexible way to suit their needs and clearly, from the Alberta experience, that it at very least won't be more expensive.

Ms. Sproule: — Can you tell me about ILS? Is this a privately held company or is it a non-profit organization? What about in British Columbia as well?

Hon. Mr. Stewart: — British Columbia's different, but it's also an industry-operated system. Paul Johnson seems to know more about these, how they actually operate internally, so I'll let him answer that question.

Mr. Johnson: — Yes, thank you. Paul Johnson. LIS [Livestock Identification Services Ltd.] in Alberta is a private corporation that delivers brand inspection, livestock inspection services in that province. And similarly in BC [British Columbia] it's called OIE [World Organisation for Animal Health], and they also deliver the private brand inspection service in that province.

Ms. Sproule: — As far as you know, OIE is a privately held corporation as well?

Mr. Johnson: — It is.

Ms. Sproule: — In terms of the integration with the other Western provinces, which is one of your goals, will there be any

sort of joint venture? How will the integration take place?

Hon. Mr. Stewart: — Well generally speaking I know that the committee that is investigating this, the industry committee has been in contact with ILS in Alberta, and they're trying to discuss whether or not they operate these together or if they're just very complimentary systems at this point.

Ms. Sproule: — And for the record is it LIS or ILS?

Hon. Mr. Stewart: — ILS . . . [inaudible interjection] . . . Oh, LIS. Okay. Livestock inspection service, that makes sense.

Ms. Sproule: — [Inaudible] . . . independent legal services, but that's a different thing altogether. All right, good. We've got that straight.

I guess even though the other Western provinces have chosen a private model for delivery of the service, I am curious on some of your thoughts on why this isn't working and why we wouldn't be encouraging say Alberta and BC to consider a government-led inspection services which is typically the role of government is to provide inspection services. So why the move towards them rather than encouraging them to come our way?

Hon. Mr. Stewart: — Well we are the odd man out. I think that both Alberta and British Columbia at one time had government delivered service, and they've gone to the private sector for delivery, with the industry influential in the operations of that model. And there is no other commodity in which we determine ownership through a government-operated agency like this. And I believe that since the industry has been paying the full cost of this that it should be a function of the industry to provide the service.

Ms. Sproule: — Okay, thank you. I can't imagine other commodities where identification like this would be similar though. I mean this is pretty unique in terms of how this industry is identified with the branding services, but I appreciate your response, and I think, you know, that's acceptable.

I know the committee was struck last summer, and there were various members identified in your introductory comments last November. I believe they reported back to you in January. And could you provide the committee with some indication or a summary of the comments and the recommendations they made back to you?

Hon. Mr. Stewart: — They generally reported back that a permanent brand inspection services committee should be a legal entity, that the branding inspection services advisory committee develop a service agreement and/or a contract with LIS in Alberta and that the committee work on a longer term basis to develop a Western Canadian brand inspection program, that the committee work on a longer term basis to integrate the other aspects of traceability like animal identification and age verification, premise ID [identification], and movement tracking, at least in the future.

Ms. Sproule: — So their recommendation is that you consider LIS as the service provider?

Hon. Mr. Stewart: — That was the recommendation.

Ms. Sproule: — Okay. I note that in the legislation, the way it's being structured is the service agreement that's been contemplated in the legislation — I assume that's the service agreement that the committee was referring to — it's called an animal identification inspection administration agreement, and I've noticed in this legislative cycle that there's a number of your bills, your government's bills that have a similar devolution of government responsibility to some form of organization. And in this case it would be LIS, I presume. And do you know, in terms of the Alberta and British Columbia legislation, is this a similar model or is this something more unique to Saskatchewan? If so, why?

Hon. Mr. Stewart: — In both Alberta and British Columbia, government is still responsible for the legislation, but the actual responsibilities of carrying out the operations are devolved to other entities. And that's the way that we envisage this being in Saskatchewan as well.

Ms. Sproule: — The way I read the way this structure is set up, particularly in clause 2.3 of the proposed amendments, it seems that the inspector in this case would be really taking the place of the minister. So I just wonder if there's any concerns from the government about the actions of the inspector. And is there any way the government can monitor whether or not the inspectors are doing their job?

Hon. Mr. Stewart: — A representative of the minister, myself, will sit on the board of directors of the entity that is chosen by the industry to oversee brand inspection under the new model, and that's how we would have input into that and receive . . . you know, be kept up to date on what's happening.

Ms. Sproule: — In that sense then, what is government's interest in keeping an eye on this, and why wouldn't you just revoke the bill altogether and let industry handle it themselves?

[15:15]

Hon. Mr. Stewart: — Well because government is responsible for the legislation, and thereby ultimately for the delivery of it. But we think that the industry can actually handle the day-to-day functions better than government can, and we're willing to let them do that.

Ms. Sproule: — I guess, to be more clear, my question is, did you ever consider just revoking the bill altogether and letting the industry manage it themselves?

Hon. Mr. Stewart: — Well I understood the question, but I don't believe . . . Well I think that it gives some security to the system to know that government is responsible for the legislation and thereby has a hand in the thing. I think that's the way, this is the way both Alberta and British Columbia operate their systems. And in both of those provinces, governments maintain responsibility for the legislation but the operations are devolved to the industry.

Ms. Sproule: — Perhaps I don't fully understand this. When you say the legislation gives some security to the system, what kind of security are you referring to there?

Hon. Mr. Stewart: — Security that the actions of the brand inspection organization, whatever it may be called in Saskatchewan, actually do have some government involvement in them and oversight.

Ms. Sproule: — Perhaps you could point me if I'm missing this, but what is in the new amendments, what's in the amendments that allows the minister to take over or regain back control of the inspection administration in the event that the service provider is not doing a good job?

Hon. Mr. Stewart: — Under section 2.2(5), I won't go through the long version, but the short version of that section is this subsection would allow the ministry to terminate the agreement in the event that the third party failed to comply with the Act, regulations, or the agreement.

Ms. Sproule: — Okay. Thank you.

Hon. Mr. Stewart: — I hope that's an answer to your question.

Ms. Sproule: — That's exactly what I was looking for. Thank you for that response.

I want to ask some questions about finances. Currently in your budget, how many FTEs [full-time equivalent] are providing these services, and what's your annual cost for this service, inspection services?

Mr. Burton: — I can answer that. So the total expenses for 2012-13 fiscal year were \$3,047,385. Our FTE historically, or previous year, there was 41 FTEs in brand inspection. The current budget calls for 10 full-time equivalents. What that is, is that's really the FTE burn for the first part of the year until a third-party agency is established and set up.

The majority of the FTEs will get burnt in the . . . be used — I shouldn't say burnt — will be used in the fall when the fall calf run comes, of course, but there will be some FTEs used in the first, you know, four or five months. And that's what the 10 FTEs in our budget reflects.

Ms. Sproule: — Did you say burn?

Mr. Burton: — I said, sorry, I used FTE burn as a . . . but it's really their utilization rate.

Ms. Sproule: — I'm not sure they'd be happy to hear their jobs described that way. So these FTEs, is there any sort of transition then to be employed by LIS when they take over the operations?

Hon. Mr. Stewart: — Well we, not officially, but we expect that the entity that operates brand inspection for the industry would be interested in hiring most, if not all, of these individuals to do the work.

Ms. Sproule: — Currently I presume they're members of the public service and represented by a union. Do you think that they will continue to be unionized under LIS?

Hon. Mr. Stewart: — I expect that there will be successor rights, but I don't know that that's hammered out yet.

Ms. Sproule: — Thank you. How much is going into the GRF [General Revenue Fund], I assume right now, from the fees that are paid by the producers for the inspection services . . . [inaudible].

Hon. Mr. Stewart: — It's a revolving fund, so all the revenues go to pay the expenses of the fund. And it's not been making money, so there hasn't been . . . If it did make a profit, I presume that would go to the . . . [inaudible interjection] . . . No, it stays in. I'm informed it stays in the revolving fund even if there is a slight profit.

Ms. Sproule: — I think you indicated earlier that in the BSE years there was actually a subsidy provided by the government. Would that have been paid into the fund then at that point?

Hon. Mr. Stewart: — Yes.

Ms. Sproule: — So currently it's just basically cost-neutral. Is that an appropriate term?

Hon. Mr. Stewart: — We've just got to cost-neutral in the last year or so.

Ms. Sproule: — Do you think that in the event of another crisis like BSE, God forbid that there be one, but if there is, would the government then need to step in again to provide that subsidy?

Hon. Mr. Stewart: — Well you know, I don't know that it pays to speculate about that. BSE was an extreme example of what can go wrong in the industry, but you know . . . The new Act would not preclude that if it were to be deemed necessary.

Ms. Sproule: — I guess a couple of last questions then in terms of the existing service provision. Have you ever enforced non-payment under the prosecution clauses in this bill in the last few years? I'm sorry, I shouldn't say non-payment. It's non-compliance.

Hon. Mr. Stewart: — Yes. If the fees haven't been paid, additional services have been refused in the past.

Ms. Sproule: — I'm looking at section 23 of the existing Act where if someone, you know, marks an animal with not a registered mark or blotches or defaces those marks or violates any provision in the Act, they can get a fine up to \$1,000 and there would be a prosecution. Have there been any prosecutions under that section?

Hon. Mr. Stewart: — Certainly not in recent years.

Ms. Sproule: — In the event that a prosecution would be required in the future and the service provider determines that someone has violated this section of the Act, who would conduct the prosecution or how would that happen?

Hon. Mr. Stewart: — In the entity that operates the branding inspection in the future would have their own solicitor, and that solicitor would make recommendations to the Crown prosecutor. Of course there may well have been an investigation by the RCMP [Royal Canadian Mounted Police] long before that.

Ms. Sproule: — Okay, well thank you. I think that is the extent of my questions on this bill.

The Chair: — Do we have any further questions for the minister and his officials? Seeing none we will move forward with the votes by clause. Clause 1 short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 6 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Animal Identification Amendment Act, 2012*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I now invite a member to move that we report Bill No. 59, *The Animal Identification Amendment Act, 2012* without amendment.

Mr. Bradshaw: — So moved.

The Chair: — Mr. Bradshaw. Are we agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 60 — *The Animal Products Amendment Act, 2012*

Clause 1

The Chair: — We will move on to our second item on the agenda, consideration of Bill No. 60, *The Animal Products Amendment Act, 2012*. I recognize the minister and invite him to give opening comments and introduce his officials if there's any new members with us.

Hon. Mr. Stewart: — Thank you, Mr. Chair. No changes in the officials for this bill.

This legislation is necessary for three reasons. One, meat inspection, third party delivery of meat inspection in provincially licensed meat slaughter processing facilities in Saskatchewan. Currently the Canadian Food Inspection Agency provides this service to provincially licensed facilities in the province. There are currently 12 provincially registered facilities in Saskatchewan. CFIA [Canadian Food Inspection Agency] is withdrawing this service as of December 31, 2013. We've been consulting with provincial meat plants. This legislation needs to be in place in 2013 in order to replace CFIA services after the end of the year. Many other provinces in Canada already have their own provincial meat inspection services.

The second reason is a livestock assurance fund. Livestock producers have requested the Ministry of Agriculture establish a

framework to protect producers against nonpayment from a licensed livestock dealer. This has happened in the past, most recently with G&M Livestock in 2011. These legislative changes will allow the livestock industry to establish and administer an assurance fund. Industry has to work out the details of the fund, who all will pay into the fund, administration, etc. As details are yet to be determined, this legislation is enabling in nature as well. Industry will guide this process and determine if or when an assurance fund is established.

And the third reason is brand inspection again. *The Animal Products Act* also needs to be amended to allow for a new brand inspection delivery model in the province, which we have just been discussing. This legislation will allow us to implement that new system. And I'd be happy to take your questions.

The Chair: — The committee is now open for questions. Ms. Sproule?

Ms. Sproule: — Thank you very much, Mr. Chair. Thank you, Mr. Minister. I see the format in this bill for providing animal products inspection is almost identical to the format being proposed in the previous bill, Bill 59, for brand identification. And so I don't have a lot of questions in relation to this bill. I think I understand the premise for which you're introducing it.

Just a couple of questions relating to . . . Perhaps the minister could provide the committee with an update on discussions with the federal government and their decision to withdraw the services of CFIA inspection. And I know you indicated in your comments on November 13th that you have asked the federal government to reconsider their decision. Have they provided you with a response to that request?

[15:30]

Hon. Mr. Stewart: — Yes. As the federal government is sometimes known to do, they didn't go into great detail about why they made the decision, but they did reiterate that they plan to follow through with it.

Ms. Sproule: — I'm disappointed in your abilities to persuade, Mr. Minister, but I guess we have to take the response as it is.

Hon. Mr. Stewart: — As am I.

Ms. Sproule: — I guess in terms of the brand inspection, we know the story: CFIA is leaving and we need to have an ability to do that provincially so that food safety is there for the people of Saskatchewan.

Again, I asked you questions on the previous bill about why you feel it's necessary for a third party to provide those services rather than having federal agents . . . or pardon me, provincial agents and inspectors. Well I'll ask you to repeat that for this particular bill for the record if you would, why you are going this route.

Hon. Mr. Stewart: — Yes. We thought that it would be, you know, difficult and rather expensive for the provincial government to set up an agency to duplicate what's been done by the CFIA in the past, and thought that the private sector may

be a little more nimble and could wrap this up in a more efficient manner and certainly that any . . . in such a way that the Government of Saskatchewan would be able to stand behind any stamp that would be put on meat by this agency.

Ms. Sproule: — In terms of this third party delivery, will the government again have a place on the board, or what type of agency are you looking at right now? Is it going to be brand new, all those things.

Hon. Mr. Stewart: — We're in the process of determining that still, and so we're just not quite there yet. But yes, I suspect that we would be involved in the governance of this organization in some fashion. I don't know if a member of the board is the way to go but, yes as in the other bill, we will still have government oversight in the Act while it may be absolutely devolved to a private agency through a contract.

Ms. Sproule: — Through this service agreement in the bill.

Hon. Mr. Stewart: — Yes.

Ms. Sproule: — I understand in the previous bill where we're looking at brand inspection, and that's of critical interest to the industry . . . Of course food safety is of critical interest to everyone. And I think the level of importance for this type of oversight probably can't be underestimated, and certainly there's some timelines and time is of the essence for this particular decision. I know the bill hasn't received third reading, but when do you think the agency will be in place and you will be able to provide the public with details on that?

Hon. Mr. Stewart: — We had originally hoped that that would happen in July, but I think that we're still hoping for late summer.

Ms. Sproule: — We'll watch for that. So currently how many CFIA inspectors are providing that service, and what's the annual cost? And again the fees, how much? So what are the expenses? What are the FTEs? And what are the revenues?

Mr. Burton: — I'll handle that. So there's currently about 11 full-time equivalents. It's distributed over a number of employees with CFIA . Some of these plants kill one day a week or two days a week and some are more full-time. So there's a number of employees that are involved but it's 11 full-time equivalents . The current expenditure by CFIA that's associated with this is just over \$1 million in Saskatchewan.

And your other question was how much do they collect back, I believe? Last year the revenue, the cost paid by the plants was 17 per cent of the portion that's billed to the province, and so it worked out to \$65,000.

Ms. Sproule: — Seventeen per cent of the portion billed to the province?

Mr. Burton: — That's correct. So CFIA was not fully recovering all its costs when it billed to the province. The cost that they were billing to the province was in around 350,000, of which 17 per cent of those costs is billed to the meat plant itself.

Ms. Sproule: — So under the third party model, if it's going to

cost them \$1 million to provide those services and they're only collecting \$65,000, how will the difference be made up?

Hon. Mr. Stewart: — Well the difference will be made up by funds from the ministry. This is a little different than verifying the ownership of animals, who it's in the industry's interest to do that. Meat safety is partially an industry issue but it's also a general public issue and so it's a bit different that way.

Ms. Sproule: — So this ultimately will be an additional cost of almost \$1 million to the province?

Hon. Mr. Stewart: — I don't think it'll be additional. It operated that way under the CFIA as well.

Ms. Sproule: — So CFIA billed the province for the full amount. Okay. So this is not a change in terms of your expense and revenue?

Hon. Mr. Stewart: — Well I don't know the full amount but . . . Well you may be correct. There may be some additional costs because of the fact that CFIA didn't bill for the full amount.

Ms. Sproule: — Do you have any estimate of what those costs would be, the additional costs?

Hon. Mr. Stewart: — We've found on examining the CFIA system that they had some very complex and expensive rules, internal rules, to comply with and we're hopeful that there may be some efficiencies found within the agency that contracts to do this work. But we're expecting the cost to be in the neighbourhood of \$1 million annually.

Ms. Sproule: — Can you give me an example of where you think there might be an efficiency found in terms . . .

Hon. Mr. Stewart: — I'm sure maybe many areas, being a federal agency as CFIA is, but one thing that was brought to my attention is that CFIA inspectors would drive past these plants that are all or mostly situated in rural communities. They would have to drive past them at times to go to a central location to get the CFIA vehicle before they could come and inspect the plants. And this would happen, you know, once or twice a week per plant. And that's just one example that I can think of that I've heard the industry talking about, but I am sure there are more.

Ms. Sproule: — Thank you. Okay. The next part of the bill that you were talking about is a change request by industry is the assurance fund. And I'm just wondering why it's necessary to put that in legislation and why the industry couldn't do that on their own without legislative support.

Hon. Mr. Stewart: — Yes, this enabling legislation enables the industry to collect a levy to build the assurance fund and to administer it. Apparently I'm informed the previous Act contained provisions for a dealer-based model, but the industry's not very interested in that.

Ms. Sproule: — Could you explain that a little, the dealer-based model?

Hon. Mr. Stewart: — Well the livestock dealers could have

operated some sort of an assurance plan under the existing Act, but the industry didn't deem that to be adequate.

Ms. Sproule: — And that was . . . I'm just curious why it's in *The Animal Products Act* and not a separate piece of enabling legislation.

Hon. Mr. Stewart: — Well none of us have long enough memories to remember how this thing ever got into this Act, but it seemed the way to make improvements to us, just to amend this Act. And it's been, certainly since the '70s it's been a part of this piece.

Ms. Sproule: — Yes. I guess as a person searching legislation, it'd be hard to find. But you might want to consider renaming the Act at some point so that *The Animals Products Act* and the marketing assurance fund Act . . . But anyways, we'll figure it out. Thank God for Google. I think at this point in time that would be the extent of my questions on this bill.

The Chair: — Are there any other, further questions to the minister and his officials? Seeing none, we will proceed with the votes on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 9 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Animal Products Amendment Act, 2012*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would now ask a member to move that we report Bill No. 60, *The Animal Products Amendment Act, 2012* without amendment. Ms. Jurgens. Are we agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I'd like to thank the minister and his officials for joining us today for the discussion on the two Acts before us. I recognize the minister.

Hon. Mr. Stewart: — Thank you, Mr. Chair. And I'd like to thank you and the committee and Ms. Sproule for her enlightened questions and the folks from Saskatchewan Ag and Food for helping us out today.

[15:45]

The Chair: — Ms. Sproule.

Ms. Sproule: — Yes. Thank you very much, Mr. Chair. And thank you, Mr. Minister, and your staff for helping me out with the questions and providing good, thoughtful answers. Thank you.

The Chair: — Again seeing that we're completed with the Ministry of Agriculture, and while officials from the Ministry of Environment join us, we'll take a short break.

[The committee recessed for a period of time.]

The Chair: — If I could call the committee back to order, we have joining us Minister Cheveldayoff, Minister of Environment, his officials to deal with two bills before us, Bill 48, *The Management and Reduction of Greenhouse Gases Amendment Act, 2012* and Bill No. 47, *The Saskatchewan Watershed Authority Amendment Act, 2012*. And, Mr. Minister, Ms. Sproule is just indicating Bill 47 may not take as much debate as Bill 48. So does it matter which one we move into firstly? I'll give you that option, and you can let us know which one we're going into, but if . . .

Hon. Mr. Cheveldayoff: — Well I think I'll go with 48 first since we've got all the officials here for Environment, if that's all right. That's just the way it came up in the order sheet, so that's the way we followed.

Bill No. 48 — *The Management and Reduction of Greenhouse Gases Amendment Act, 2012*

Clause 1

The Chair: — Well thank you, Mr. Minister. So then we'll proceed with debate on Bill 48, *The Management and Reduction of Greenhouse Gases Amendment Act, 2012*. And I invite the minister to introduce his officials and make his opening comments.

Hon. Mr. Cheveldayoff: — Thank you very much, Mr. Chair. And good afternoon to committee members. With me this afternoon are officials from the Ministry of Environment: Deputy Minister Liz Quarshie to my right; Ed Dean, the manager of regulated sectors, climate change branch to my left. And from the Ministry of Justice: Leanne Lang, Crown counsel, civil law division, is to my rear right; and Jason Wall, chief of staff, to my rear left.

The Management and Reduction of Greenhouse Gases Act, the Act, was passed in May of 2010. It has not been proclaimed pending an amendment to part VIII of the Act, which includes provision for public requests for an investigation of alleged offences. The amendment received second reading in the 2012 fall session of the legislature. The proposed legislative amendment allows Saskatchewan to manage greenhouse gas, GHG emission reduction in the electricity sector under provincial legislation.

This amendment is required to enable the province to negotiate and conclude a Canada-Saskatchewan equivalency agreement, the agreement, under the *Canadian Environmental Protection Act, 1999*, otherwise known as CEPA. The agreement will set aside federal performance standard regulations for the provincial GHG regulation. The equivalency agreement is structured to accommodate all federally regulated sectors. The amendment is also a key requirement under CEPA and will give any citizen the right to request an investigation of alleged offences and be kept informed of the investigation's progress as is required under federal legislation.

The federal GHG performance standards now in development will affect much of Saskatchewan's economy, which includes sectors such as coal- and natural gas-fired electricity, oil and gas, oil refineries, nitrogen and potash fertilizers, mining, chemicals, ethanol, pulp and paper, cement, iron, and steel.

Under section 10 of CEPA, when a regulation exists in another jurisdiction that achieves the same or better environmental outcomes than a federal CEPA regulation, provincial regulations apply instead of the federal regulation. For this to occur, the province enters into an equivalency agreement with the Government of Canada. Saskatchewan's provincial greenhouse gas regulations will provide an equivalent or better outcome than the federal regulations. With an equivalency agreement in place, duplication and overlap of regulations will be avoided and Saskatchewan will continue to manage its economy through its provincial regulations.

Saskatchewan leads the way in carbon capture and storage technologies. This proposed legislative amendment will ensure that Saskatchewan is able to maintain control over its key industries to sustain economic growth.

With that, Mr. Chair, myself or my officials would be happy to answer any questions that committee members may have.

The Chair: — Thank you, Mr. Minister. The committee is now open for questions. Ms. Sproule?

Ms. Sproule: — Thank you very much, Mr. Chair. Thank you, Mr. Minister, for your comments and the opportunity to ask questions today on this proposed bill. I just wonder if you could explain a little bit about why the bill was introduced originally in, I think you said 2010, without the equivalency provisions in it.

Hon. Mr. Cheveldayoff: — Thanks very much to the member for the question. In 2010 when the bill was first introduced, the federal government had not identified the equivalency requirements, and full information wasn't known at that time. Later on in 2011 they did identify those requirements, and that necessitated the change to the bill.

Ms. Sproule: — Was it anticipated when the bill was introduced in 2010 that these changes were forthcoming and you just went ahead without them?

Hon. Mr. Cheveldayoff: — Again, thank you very much for the question. And indeed, we did not have knowledge of the requirements going forward. The federal government did not move in the development of the sector standards at that time so we could not guess or anticipate what was coming from the federal government at that time.

Ms. Sproule: — I note that in 2009, your government signed or issued a paper called *Management and Reduction of Greenhouse Gases and Adaptation to Climate Change Technical Briefing Package, May 11, 2009*. It refers to the equivalency agreement on page 6 and that . . . I can read a little bit from that, that there was an agreement signed in principle by Minister Nancy Heppner and the federal Environment minister, Jim Prentice, on May 11th, 2009 that established a framework for an outcomes-based climate change approach that met the

statutory requirements of CEPA for negotiating an equivalency agreement.

So in terms of that agreement or the framework that was established there, was the intention then that everything was met but the requirements for individuals being able to report or apply for investigations was just not thought of at the time?

Hon. Mr. Cheveldayoff: — Thank you very much for the question, and the member's indeed correct. In 2009, when the agreement was signed between Minister Nancy Heppner at that time and federal minister Jim Prentice, the federal government did not give us any indication of this particular clause. But of course, they reserve the right to make additions or to invoke changes later on and that's indeed what they did when they came forward with this.

Ms. Sproule: — Okay. Thank you very much for that answer. In terms of the new provisions that are being introduced in Bill 48 . . . I know when I studied environmental law many years ago in the early '90s, one of the most difficult things for citizens to bring concerns to the courts when it came to investigating or contraventions of environmental protection laws, there just was no standing for individuals. And so I think this is a very important change. And I'm glad to see this government implementing abilities for residents to apply for investigation and directing the government in certain ways to act when those investigations are applied for.

One of the questions I have is what additional resources will the ministry put in place to ensure that the requirements of the timelines, etc., in the amendments will be dealt with properly.

Hon. Mr. Cheveldayoff: — Thank you very much for the question. And indeed we don't anticipate that this clause will be used all that often. I agree with the member that it is an important provision, and obviously it was something that the federal government deemed necessary to give that additional voice to individuals. You know, the final decision will still rest with the office of the minister but, you know, from our perspective with our existing staff and their capabilities and expertise, we feel that we could handle any additional responsibilities that will come from this within the operating resources that we have at this time.

Ms. Sproule: — So you're not anticipating an additional budget line in your estimates for this bill once it's law?

Hon. Mr. Cheveldayoff: — No, we're not anticipating any additional funds needed or necessary at this time.

Ms. Sproule: — Thank you. I know you indicated in your comments on November 5th that you had extensive consultation on this bill. You indicated there was over 1,200 submissions. Can you just sort of give me a flavour of the types of submissions that you received? Were there types of people that provided submissions?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And the member makes reference to my accentuating the extensive consultations. It's just the, you know, in all honesty, the numbers did blow me away. You know, some 1,200 consultations that have taken place, very extensive across

different categories. And you know that, as a minister introducing something like this, is quite reassuring, that people would take the time to involve themselves in those consultations and to take the time to study and to help make the legislation better.

You know, just looking, I have several pages in my hand, two-sided with very small print. My eyesight's good enough to read it but, you know, we see that BHP Billiton, Cameco, Cenovus, Husky, Meadow Lake Mechanical Pulp, that's half a dozen of about 30 industry groups and associations. We also had, you know, private citizens come forward. We had the Saskatchewan Eco Network, the Saskatchewan Environmental Society, the Saskatchewan Federation of Labour, SaskPower Corporation, Shell Energy corporation, and then into agricultural organizations. You know, the Chicken Farmers of Saskatchewan made their voice known and also various other, the Saskatchewan Institute of Agrologists. So that gives the committee members a flavour of the type of groups that chose to participate in the consultations and provided us with information.

[16:00]

Ms. Sproule: — Thank you, Mr. Minister. What was the format of the consultation?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. The consultations were wide and varied. There were focus groups that were facilitated and their information was taken into account. Surveys were undertaken. Written submissions were certainly received. There were open houses held — one in Saskatoon on March 24, 2010 and one in Regina on March 30, 2010 — where several presentations were made or submissions were received at that time. So wide and varied, and basically the ministry was open to whatever format best suited the group that we were asking to provide information.

Ms. Sproule: — Just for clarity then, I assumed that these 1,200 submissions were in relation to this bill, the amendment bill. But you're referring to consultations across the board on the 2010 bill. Is that correct?

Hon. Mr. Cheveldayoff: — Yes, that's correct. Yes. Certainly that was on the wide, wide scope of things.

Ms. Sproule: — I thought it was pretty extensive for this bill, but I wasn't sure. We only have a few sections here, but you never know. So I'm glad to clarify that.

All right. I know you indicated further in your comments on November 5th that industry strongly prefers provincial regulation over federal regulation, and you went on to say that you are a government that is close to the people. And that was a heartwarming statement, Mr. Minister. I'm just . . . You know, some of the criticism you hear when we devolve management and regulation to the industry themselves, it's often you hear it's putting in the fox in the chicken house. And there is, in my view, a role for government in oversight in these types of bills.

And I just, I guess, am interested in your observations in terms of why the industry would prefer provincial regulation over federal regulation. Is it simply the close relationship? Or you

went on to say government is moving out of the way to industry. So certainly that's something they would appreciate. Are there any concerns about lack of government oversight in this regard?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And any time a government member can warm the heart of an opposition member, I guess we're doing a good thing. So you know, certainly those are good questions and, you know, I'll take the last one first as far as a lack of oversight. And certainly, you know, the oversight responsibility rests with the province and the federal government. And whenever we enter into an equivalency agreement, we will not be lessening those standards by any means. What we want to do is to uphold those standards.

But what we have heard from industry members is that if, where we can avoid overlap and duplication, that would certainly make their life a lot easier. And quite frankly they tell us, we do not want a watering down or lessening of any of the regulations. But my goodness, if we're providing the same thing for the provincial government and then we start again for the federal government, it does seem like overlap and duplication. So that is an area where we're wanting to make it easier for companies to comply.

You know, when you look at a company like SaskPower for example, one that of course is very important to the province, they certainly recognize the advantages of having provincial regulation because, you know, our ideas of a technology fund to offset credits, emission-intensive trade exposed credits, performance credits, pre-certified investment credits, recognition for early action credits — things like that are advantageous to the Saskatchewan companies. And that's why, you know, I think the federal government would agree that provinces are closer to their industries because just by size and volume that we're able to do that.

And we want to make sure that, again, we make it as easy as possible for companies to comply, do so in a manner that works well for them but at the same time uphold those rigorous standards that we are committed to. So I think that it works in our favour. It works in the favour of our industries, and it works in the favour of environment as well.

Ms. Sproule: — Thank you very much, Mr. Minister. I know you listed off the kind of elements that are going to be in the equivalency agreement — the technology fund and all those things you referred to. What's the progress on the negotiations for the equivalency agreement? Is that completed or when's the target for completing that?

Hon. Mr. Cheveldayoff: — Thank you very much for the question. And indeed in 2009 the preliminary framework was put into place and agreed to. And then decisions were made to go on a sectoral basis where each sector would be looked at and then guidelines put in place and achieved. And the first area that they were looking at is the coal-fired sectoral arrangements. And then we'll move on to oil and gas. And on the coal-fired front, Minister Peter Kent came to Saskatchewan to announce the agreements and the rollout of those in Saskatchewan and how we would have to work on them going forward.

But you know, the next area that we'll be looking at is oil and gas. And there's others — oil sands, steam, cement, and others.

Ms. Sproule: — Thank you. I have Mr. Kent's comments here. I believe he spoke on September 5, 2012 in Saskatoon, and he's announcing the regulations for coal-fired electricity. He said they've been released. Do you know, have they? They haven't yet been made in force, are they? Are they now in force? They are . . .

Hon. Mr. Cheveldayoff: — Thanks very much for the question. The federal regulations will kick in in 2015 if we don't have our equivalency agreement in place. So we're working on making sure that that is in place, and the federal government has largely done their work. And as a province we're working on it, and the work we're doing today is part of getting us prepared to be in the situation to sign that equivalency agreement.

Ms. Sproule: — Thank you. You basically answered my next question. So the equivalency agreement he announced on September 5th, that he's working on with Saskatchewan and Nova Scotia, you're hoping that will be complete before 2015 then?

Hon. Mr. Cheveldayoff: — Yes, correct.

Ms. Sproule: — Thank you. And based on what you've said earlier, the provisions of that agreement, Saskatchewan would have something equivalent or better or more stringent, I guess, than the federal regulations?

Hon. Mr. Cheveldayoff: — Correct. That's the premise of the equivalency agreement.

Ms. Sproule: — So what's the advantage for Saskatchewan of introducing . . . I guess you would have to introduce regulations as well for coal-fired electricity. What's the advantage of enacting equivalent regulations here? Why not just use the federal ones?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And as indicated earlier, a couple of premises: overlap and duplication and the avoidance of that — that's an important point — flexibility, as I touched on when I went through the Technology Fund and the different credits that would be available for a company like SaskPower. That's certainly an advantage for the company and for the province.

What this does is it allows us to accommodate the development of coal-fired electricity generation with carbon capture and sequestration without increasing the share of gas-fired generation. So indeed, you know, we can continue with our carbon capture and sequestration work. We can get the credits that are needed or the credit for the work that we're doing in that regard. And you know, the federal government would then recognize that. And the end result would be less impact on electricity prices with greater reductions in GHG emissions for the province as well because the federal performance standard will result in greater use of gas-fired generation, increasing the risk of higher electricity prices if natural gas prices increase.

So you know, we're in a good situation that, you know, if we do

the work, we can be in a position to help those companies in Saskatchewan meet those goals and do so in a way where we can also allow them to meet their GHG reduction targets in a faster manner.

[16:15]

Ms. Sproule: — Thank you for that. One of the things you indicated in your introduction of the bill was that the amendment that you're proposing here would advance Saskatchewan's growth plan by balancing environmental and economic factors. Could you just explain a little bit how the ministry determines that balance? Is there a method to that determination or how do you determine something's balanced between economic and environment?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And it is an important question because that balance is very much the centre of what we're trying to do as a government to balance the economic growth that we're so fortunate to have in our province, but to do so in an environmentally sustainable way.

And you know, so to continue to ensure that the economy rolls along, you know, we've been using coal in our province for many, many decades and we have an abundance of it here, but we recognize that there are challenges as far as the environment goes. So if we can continue to use coal in the way that we've done and use technology to help us reduce the emissions of using that coal, along with at the same time undertake — like we are in Saskatchewan — world-class research and world-class innovation as far as carbon capture and sequestration, we can rightfully so say that we're making our commitment to the environment as well.

You know, the eyes of the country, the eyes of North America are on us and indeed the global aspect of the work that we're doing here, it does not go unnoticed. And so we feel that, you know, it's very important for us to strike that balance, to continue to use the resources that are available, to continue to provide electricity for example in a cost-effective way, but at the same time to balance that with our need to do better for the environment. And I believe that we are in a pretty good situation. You know, are there risks involved? Of course there are.

Carbon capture and sequestration, when you're the leading edge, there's nobody that's gone out and done this before you. But you know, we've put our money where our mouth is. We've had the assistance of the federal government to come forward in this \$1.2 billion project, and I think it's something that we can all be proud of. And I think it's something that hopefully we can look back on in years ahead and say that we did the responsible thing.

Ms. Sproule: — Thank you, Mr. Minister. I guess one of the questions in terms of carbon capture and sequestration, you indicated Saskatchewan is leading the way and that's very true. There's some good work being done.

Is SaskPower somewhat precluding the success of that in terms of sequestration when they sign agreements with Cenovus for sale of that carbon that's been captured for enhanced oil

recovery? Because my understanding is, is then in fact, sequestration is not the end result of the carbon. It actually is re-released into the environment through the enhanced oil recovery process.

So I just worry that, you know, when we're looking at reducing greenhouse gas emissions and we see the sequestration losing its importance in the process through sale of the carbon that's captured to the enhanced oil recovery projects . . . Are there any concerns on the part of the ministry in terms of that sale that SaskPower has made to Cenovus?

Hon. Mr. Cheveldayoff: — Thanks very much for the question, and I was debating whether to take the question or not, because it certainly would be better answered by SaskPower and their officials. You know, from an environmental perspective, I guess we're satisfied that the work that SaskPower is doing and the options that they're looking at — the aquistore project, you know, the sale to Cenovus — are areas that are moving in the right direction. But as far as getting into the details of exactly the impact on the CO₂ emissions, I think that would something be better posed to, you know, to Mr. Watson or to Minister Boyd at the appropriate time.

Ms. Sproule: — Well, Mr. Minister, I'm not sure I can agree with you on that because certainly we know that carbon capture and sequestration is designed to deal with an environmental issue and I would hope that this ministry is at the forefront of that kind of, those discussions with the agencies you refer to. I certainly have posed questions as SaskPower critic to Mr. Watson and Minister Boyd in that area. And it would be my duty as a member of the official opposition to raise those types of concerns and questions, not only with SaskPower but I believe with your ministry as well.

You certainly did speak to it in your introductory comments when you introduced the bill and, you know, you indicated that the project would sequester “. . . 1 million tonnes of carbon dioxide per year [that's a quote] and help increase oil production through EOR, enhanced oil recovery.” And my concern, based on some of the criticism and commentary I've read, is that that's not actually going to be the case. You can't have sequestration and enhanced oil recovery. So I've raised that with you as a concern and certainly you did comment on that in your introductory comments and I think it is appropriate for a Minister of the Environment to take a lead role in sort of ensuring that this is being satisfied by those agencies that you mentioned and the other ministries.

And I get to talk to you for four hours on Wednesday night. So perhaps I may raise some more of these questions at that time. I know the scope of this bill is much more limited than that. So I think at this point I don't have any further questions on the management or the amendment to the bill that's not yet law. So I'll just leave my comments on this bill for now, Mr. Chair.

The Chair: — Thank you, Ms. Sproule. Any further questions to the minister and his officials? Seeing none, we'll move forward with the votes.

Short title, is that agreed? Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 and 3 agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Management and Reduction of Greenhouse Gases Amendment Act, 2012*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would now ask a member to move that we report Bill No. 48, *The Management and Reduction of Greenhouse Gases Amendment Act, 2012* without amendment.

Ms. Campeau: — I so move.

The Chair: — Ms. Campeau. Are we agreed? Carried. Thank you.

Bill No. 47 — *The Saskatchewan Watershed Authority Amendment Act, 2012*

Clause 1

The Chair: — We will now move forward to discussion on Bill No. 47, *The Saskatchewan Watershed Authority Amendment Act, 2012*. Mr. Minister, I'll invite you to introduce the officials you have with you and make your opening comments. We'll just give a moment until the officials change places. I recognize the minister.

Hon. Mr. Cheveldayoff: — Thank you very much, Mr. Chair, and committee members. Joining me this afternoon are Wayne Dybvig, to my right — he's the president of the Water Security Agency, a man who is very, very busy these days and doing an excellent job, I may add — as well as Susan Ross, vice-president of legal and regulatory affairs is to my left and a busy individual as well.

The bill we are considering today is very simple. It continues the Saskatchewan Watershed Authority as the Water Security Agency and updates other pieces of legislation to ensure consistency in referencing the Water Security Agency. It also changes the name of the Act to the water security agency Act. That is all the bill does. That is simple but important.

The Water Security Agency is currently operating under a registered trade name but is legally the Saskatchewan Watershed Authority. Approving this bill will complete our restructuring of our water services in government to facilitate better management of our water and better services to our citizens. As you know, I announced the creation of the Water Security Agency back in October. All transfers of programs and personnel to create the Water Security Agency have been made and the Water Security Agency is delivering a full suite of programs.

The Water Security Agency works in six main areas: managing surface and ground water supply, protecting water quality, protecting drinking water, managing water supply

infrastructure, reducing flood and drought damage, providing information on water.

At the moment, the Water Security Agency staff are very busy with the spring runoff. Staff have been working very hard to forecast flows and help families and communities prepare for potential flooding. The Water Security Agency brings together for the first time all of government's core water management responsibilities and technical expertise to ensure a comprehensive and integrated approach to water management.

Creation of the Water Security Agency simplifies the water-related regulatory processes by establishing a one-window approach to water issues. The work of the Water Security Agency gets strong direction from the 25-year Saskatchewan water security plan.

Mr. Chair, since I had the opportunity to announce the creation of the Water Security Agency, I have had the opportunity to speak to a number of groups about water. Mr. Dybvig and other members of the Water Security Agency have spoken to many other groups. We are consistently hearing strong support for the creation of the Water Security Agency and for the development of a long-term plan, in this case a 25-year water security plan that is updated every five years going forward.

We created the Water Security Agency because we recognize how important water is to our province's future. We need water to support our continuing economic and population growth. We need water, good quality water to ensure a high quality of life for all Saskatchewan people. We need water for a healthy environment. The Water Security Agency was created to ensure we have the sustainable, quality water supplies we need to ensure a strong future for our province.

Mr. Chair, with those brief comments, I would be pleased to take any questions that members may have.

The Chair: — Thank you, Mr. Minister. The floor is now open for questions from committee members. Ms. Sproule.

Ms. Sproule: — Thank you, Mr. Chair, and thank you, Mr. Minister. I don't have a lot of questions on this particular bill because, as you indicated, it's just changing the name. The one main question I do have is, in all of the things you described just now, you never once mentioned the word security. So I'm just wondering what's in the name. Why Water Security Agency and why not water management agency or water control and management? And so what is the intent of the use of the word security when you're renaming the Saskatchewan Watershed Authority?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And I think it's an important question because the term Water Security Agency and the emphasis on the term security is a very important point. In our opinion, water security captures exactly what we wish to achieve. Water security is a term which has come into common use around the globe when dealing with discussions about water. Water security refers to ensuring sustainable water supplies to support our society's needs. Those include water for drinking but also for irrigation, for industry and energy production, for fisheries, and for other water services. So we feel that the term security is an

all-encompassing term.

You know, when I talked about the six main areas, I referenced adjectives such as managing, protecting, reducing, providing. And we feel that the Water Security Agency does that. But overall we want to ensure that Saskatchewan residents feel secure that their water supply is there for the long term and that it's being managed well. And I'm confident of that in what I've seen and what I've come to know as minister. And I think the name certainly is very reflective of the good work that goes on behind the scenes. So thank you for the question.

[16:30]

Ms. Sproule: — Thank you, Mr. Minister. I'm just wondering, are you aware of any other province than Saskatchewan who is enacting a similar naming-type name for their organizations? And what are the names of . . . Did you look at the other names from other provinces, or is this the first in Canada to call themselves a security agency?

Hon. Mr. Cheveldayoff: — Thanks very much for the question, to the member. Again, an important question. In Saskatchewan, of course in Saskatoon at the University of Saskatchewan, we have the Global Institute for Water Security. So that's one representative organization in our province that uses the term security. When we look, you know, much more on a global scale, we see United Nations. They often use the term water security in many of their endeavours.

As far as other provinces go, I had the opportunity to attend the CCME, the Canadian Council of Ministers of the Environment, in Alberta last fall. And at that forum, ministers get a chance to talk about the work that they're doing and what they see as something that may benefit other provinces nationwide. And the request of myself was — it was twofold — was to talk about the Water Security Agency and to talk about the Environmental Code. So those were two areas where we spent time on and had discussions.

And there were many, many questions. And at that time, I believe it was just a week or two before the actual announcement. And all of my colleagues around the table asked that once we did make the announcement that we share that information with them. And they were all looking towards long-term water security type plans without using the nomenclature that we were using maybe. But hopefully it will be picked up in the future and it'll be recognition of the leadership being shown. But I think that, you know, nevertheless in the name, the goals that are in place are ones that are being picked up by other jurisdictions as well and are being followed along. So we're happy with the name, and we're happy with the work that's being done.

Ms. Sproule: — Thank you, Mr. Minister. I mean, I'm pretty sure other provinces are looking forward to long-term goals independently of what's going on here in Saskatchewan because that's their responsibility, and it would be something that they would obviously be working on as well. So I think there's leadership being shown across the country in terms of managing water resources, particularly in light of what we see in terms of climate change and global warming.

I guess this nomenclature is the interesting point for me because it's an evocative term, and certainly one, I think, that has been bandied about extensively in our neighbour to the south when it comes to things like homeland security. And so you see other agencies jumping on the language, including the ones you indicated like the Global Institute for Water Security and obviously the international organizations you're referring to. So that's just a commentary on something I find interesting in terms of the nomenclature.

And you also indicated that people feel secure because of the stated objectives of your 25-year plan. And perhaps by naming it a security agency, they feel that that's what it is. So I guess in the long term we'll see how well we can implement the plan and ensure that our water resources are effectively and properly managed by the government.

One question I had, and perhaps you could explain it to me, is on page 3 of the bill. There's a table, table 1, section 8, and it has a reference to a number of provisions and different statutes and laws. And I'm just wondering if perhaps you could just explain a little bit about that table? I think it comes out of section 8, consequential amendments. So is it just a chart showing where you're striking out the old name and putting in the new name? I think so.

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And you know the table is a schedule of areas where, you know, if we look at, on page 2, subsection 8:

The provisions of the Acts set out in Table 1 of the Schedule are amended by striking out “*The Saskatchewan Watershed Authority Act, 2005*” wherever it appears and in each case substituting “*The Water Security Agency Act*”.

So that's the consequential amendment. That's the goal, and this identifies the clauses and the sections where indeed that is happening and how it affects other pieces of legislation as well.

Ms. Sproule: — Thank you, Mr. Minister. One more question about the nomenclature. We're calling this an agency, although in the amendment we see that it is continued as a corporation. And so why did you change the name from corporation which it is, it's a treasury board Crown corporation, and give it the name of an agency? What was the thinking behind that?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And certainly, you know, when we get down to the use of the word agency or authority or corporation you're, you know, fine-tuning some definitions. But in Saskatchewan certainly we could refer to it in other ways, but we also have the Saskatchewan Water Corporation, which is the Crown corporation dealing with water.

And I know it's sometimes a job just for us as MLAs [Member of the Legislative Assembly] to keep everything straight. What's the old Watershed Authority? What's the Water Security Agency, and what does SaskWater do? But that's one of the reasons why we want to differentiate between the commercial Crown in the SaskWater Corporation and the Water Security Agency. So I think the naming, the way it has done, does provide some differences and is able to help us

differentiate between the work that each of these organizations does.

Ms. Sproule: — Thank you. I think in your introductory comments when you introduced the bill, you indicated that you were pulling the work of three ministries into a central agency. Is that—I'm not sure if that came from your comments—but is that the case, you're pulling together work from three different ministries into a central agency?

Hon. Mr. Cheveldayoff: — Thank you very much for the question. That is indeed correct. Existing water management programs and services from the Ministry of Environment, the Ministry of Agriculture, and the Ministry of Health were transferred to the Saskatchewan Watershed Authority to create the Water Security Agency. The vast majority came from the Ministry of Environment, but there were sections that came from the Ministry of Agriculture and the Ministry of Health.

Ms. Sproule: — Can you describe a little bit about the Agriculture and Health aspects of this?

Hon. Mr. Cheveldayoff: — Thanks very much for the question, and indeed it's an important one. The Ministry of Agriculture has transferred some of its resources to the Water Security Agency. There's a transfer of infrastructure: the M1 canal; the East Side pump station that's located on the east side of Lake Diefenbaker; and the pumping rental program as well, is something that Agriculture operated, operated very well. But we feel that it's more appropriately housed under the Water Security Agency now.

As far as Health goes, limited-scope pipelines, some very narrowly defined pipelines were under the auspices of Health and have moved under the Water Security Agency now.

Ms. Sproule: — Thank you, Mr. Minister. I will have more detailed questions about that, but I think I will reserve that for Wednesday evening when we're looking at the estimates because I'm interested in sort of how the costs will be managed as well as the resources that you described. So I think at this point, given the scope of this particular bill and the fact it's just the name, I will reserve those questions for a more appropriate time. I think that's it for now. Those are the questions I wanted to ask for this bill, Mr. Chair.

The Chair: — Thank you, Ms. Sproule. Any further questions of the minister and his officials? Seeing none, we'll move the clause by clause vote on Bill No. 47. Clause 1 short title, are we agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 15 inclusive agreed to.]

The Chair: — Schedule table 1, are we agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Saskatchewan Watershed Authority Amendment Act, 2012*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would like to thank the minister . . . Oh, pardon me. Before I get thanking the minister, I would ask a member to move that we report Bill No. 47, *The Saskatchewan Watershed Authority Amendment Act, 2012* without amendment.

Mr. Bradshaw: — So moved.

The Chair: — Mr. Bradshaw. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I'd like to thank the minister and his officials for appearing before the committee and responding to the questions placed by the committee today.

Hon. Mr. Cheveldayoff: — Thank you very much to the Chair and committee members. And look forward to further discussions at a later date.

The Chair: — Ms. Sproule.

Ms. Sproule: — Thank you very much, Mr. Chair. Likewise, Mr. Minister. Thank you very much and thanks to your officials for coming and helping out today. And we'll be in touch again for sure.

The Chair: — Thank you, Mr. Minister and Ms. Sproule. I now would invite a motion of adjournment.

Mr. Bradshaw: — I'll do that.

The Chair: — Mr. Bradshaw. Are we agreed?

Some Hon. Members: — Agreed.

The Chair: — Agreed. Carried. This committee stands adjourned until tomorrow evening at 7 p.m. Thank you very much.

[The committee adjourned at 16:44.]