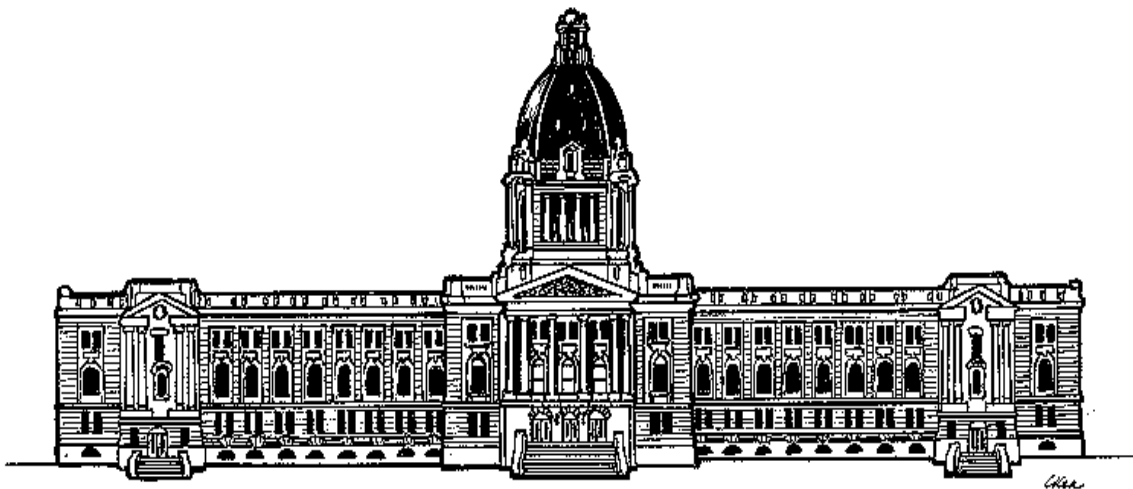




STANDING COMMITTEE ON THE ECONOMY

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Legislative Assembly of Saskatchewan

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STANDING COMMITTEE ON THE ECONOMY

Mr. Don Toth, Chair
Moosomin

Ms. Danielle Chartier, Deputy Chair
Saskatoon Riversdale

Mr. Fred Bradshaw
Carrot River Valley

Ms. Jennifer Campeau
Saskatoon Fairview

Mr. Larry Doke
Cut Knife-Turtleford

Mr. Bill Hutchinson
Regina South

Ms. Victoria Jurgens
Prince Albert Northcote

[The committee met at 19:00.]

Ms. Ursulescu: — Good evening, committee members. My name is Stacey Ursulescu, and I'm your Committee Clerk. Unfortunately our Chair and Deputy Chair are not able to attend tonight and so the committee will need to elect an Acting Chair for this meeting. So as Committee Clerk, it is my duty to preside over the election of an Acting Chair.

First I will call for nominations and then, after that, I will call for an actual motion. So I will take a nomination. I recognize Mr. Doke.

Mr. Doke: — I move:

That Bill Hutchinson be elected to preside as Acting Chair of the Standing Committee on the Economy for the meeting of May 7th, 2013.

Ms. Ursulescu: — Are there any further nominations? Seeing none, Mr. Doke, I'll ask you to read that into the record again.

Mr. Doke: —

That Bill Hutchinson be elected to preside as Acting Chair of the Standing Committee on the Economy for the meeting of May 7th, 2013.

Ms. Ursulescu: — Is that agreed?

Some Hon. Members: — Agreed.

Ms. Ursulescu: — Carried. Then I'll ask Mr. Hutchinson to take the Chair.

The Acting Chair (Mr. Hutchinson): — Thank you, Madam Clerk, and thank you for your confidence, members of the committee. Now the first thing I'd like to say is that we have a lot of work to do this evening and I think we'd be a little bit more comfortable if we were able to take off our jackets. And so I'll suggest that possibility to anybody that would like to take advantage of it. And I'm going to start myself — lead by example.

So colleagues, tonight we're going to resume our consideration of the estimates for the Ministry of the Economy. This is vote 23, central management and services, subvote (EC01). I would like to offer the minister a chance to introduce his officials and make any opening comments that he wishes.

**General Revenue Fund
Economy
Vote 23**

Subvote (EC01)

Hon. Mr. McMillan: — Well thank you, Mr. Chair. And thank you to the committee for the work that's ahead of us tonight. I'm pleased to appear before the Standing Committee of the Economy to consider the estimates for Energy and Resources under the authority of the Ministry of the Economy and Tourism Saskatchewan subvotes.

Sitting to my right is Kent Campbell, the deputy minister of the Economy; and to my left is Denise Haas, chief financial officer for the ministry. In the row directly behind me is Ed Dancsok the assistant deputy minister of petroleum and natural gas; Hal Sanders, assistant deputy minister of mines, lands, and resource policy; and Pat Fiocco, the chief executive officer with Tourism Saskatchewan. There are a number of other officials here that will assist in answering questions and provide information as part of this evening's conversation.

Mr. Chairman, no matter where you look in this province, you will find new businesses, new people, new homes, and new opportunities. These are all indications of a growing and prosperous Saskatchewan, one that is moving forward with great optimism and strength. Central to our prosperity is fiscal responsibility. Once again, this government has a balanced budget, and once again we are finding ways to move Saskatchewan forward while preparing to tackle the challenges that come with this level of growth.

The principal sectors and industries that comprise this economy are helping to create a financial landscape that provides benefits for all the people of this province. Tourism, mining, and oil and gas are all important contributors to our government's coffers. Each year, hundreds of thousands of people flock to Saskatchewan to enjoy the pristine lakes, picturesque landscapes, and recreational activities, and to experience Saskatchewan's rich cultural and history that it has to offer. As a newly minted treasury board Crown, Tourism Saskatchewan will continue to play an integral role in ensuring that the government's tourism initiatives and objectives are being met.

Our natural resource strengths are being recognized around the world. We have a mining industry that is the envy of Canada, a treasure trove of uranium deposits and potash resources, along with many other minerals, and an oil and gas industry that has broke production records in 2012. There is no doubt that Saskatchewan has what the world needs.

Coveted commodities like potash are helping to feed a hungry world, while uranium is powering homes and cities and providing research opportunities here in Canada and in the far reaches of the globe. We have potash companies investing new money into new mines, and a total of \$13.8 billion forecast to be spent in existing mines over the course of the next decade. And we have a new uranium royalty structure which we believe will have a myriad of positive effects on the mining industry.

Our government has taken steps to streamline the staking process for issuing mineral permits, claims, and leases through our new mineral administration registry of Saskatchewan or the MARS system, which was launched late last year.

We also have an oil and gas industry that has unbelievable potential. This province is the second largest oil producer and the third largest gas producer in Canada. Our oil industry saw record production in 2012 with a total of 172.9 million barrels produced. Total value of oil and gas for the province was \$12.5 billion. An estimated 4.7 billion was funnelled into new exploration and development in this industry in 2012. And a total of 3,208 oil wells were drilled last year.

Saskatchewan is a leader in oil and gas technology, including enhanced oil and gas recovery methods, horizontal drilling, and fracturing. And our government is a major proponent of the Keystone XL pipeline and any other access to new markets for our oil and gas.

If approved, the Keystone XL pipeline will free up capacity, helping bring jobs, investment, and money into our province. We are also modernizing the province's oil and gas business processes and computer systems through the process renewal and infrastructure management enhancement program, or the acronym would be PRIME.

Mr. Chairman, it is integral that our oil and gas and mining industries continue to expand, helping to carry Saskatchewan's strong economy into the future. This is why building upon our natural resource strengths was one of the many initiatives highlighted in our government's latest growth agenda, the Saskatchewan plan for growth.

This budget made improvements in Saskatchewan's uranium royalty structure. This new structure now recognizes actual costs incurred by industry and moves from a three-tiered system to a two-tiered system. We believe these changes will have a significant effect on production and the development of new mines in this province. Over the course of the next 14 years it is expected that uranium royalties will exceed \$5 billion. Further to this, the ministry's budget includes a decrease in the Saskatchewan resource credit, reducing a quarter percentage point from 0.75 per cent. This will bring in an additional 22.3 million in revenues to the province in 2013-14.

The ministry's budget also earmarks a total of 500,000 additional dollars for Saskatchewan's oil and gas industry, which will be invested in regulatory oversight, and it includes 15.2 million to be spent on tourism initiatives in the province.

Mr. Chair, the Ministry of the Economy is committed to a vibrant economic future for all of Saskatchewan's citizens. By supporting economic diversity, the ministry is ensuring prosperity can be realized for many years to come. With these brief comments, Mr. Chair, I would be pleased to answer any questions that the committee might have in regards to the estimates before us tonight.

The Acting Chair (Mr. Hutchinson): — Thank you for your comments, Minister. We certainly welcome them and we are now available for questions. I ask just two things: that the questions pertain to the matters there so that they're in order; and that any disagreements that occur, and they might, be done in a collegial and respectful fashion. Thank you.

Mr. Belanger: — Well thank you very much. I've got a few questions. And obviously there'll always be disagreements. But the one point I want to raise here is that my particular constituency, as you're aware, is in northwestern Saskatchewan, with its great opportunity.

And we talk about natural gas. We talk about uranium development. We talk about things like biomass such as peat moss or wood biomass, like some of the opportunities attached to that. And I want to spend a bit of my time in that particular area, and the reason being is that obviously there are people out

there that are keenly interested in becoming part of a mineral or resource development strategy, you know, for the province overall.

And I'm keying on your point when you raised that your objective is to see that all Saskatchewan people benefit from the resource activity and the resource opportunity attached to our lands. And certainly I think people aspire in northern Saskatchewan to be part and parcel of that economy, because too often we hear of the unemployment rates for First Nations and Métis people and northern people in general. They're not something that we should be certainly highlighting on a national stage. There's more work that needs to be done, more aggressive work.

So on that front there are a lot of people in northern Saskatchewan — and I'm talking about municipal associations, whether they're development corporations or whether they're band-owned business entities — that are constantly looking for opportunity. But when it comes to northern Saskatchewan, just following the northern administrative district just for administrative purposes tonight, how significant are the natural gas opportunities in northern Saskatchewan? Are they significant? How do they compare to the rest of the province? How do they compare to the hot spots, say for example the Bakken play?

These are some of the things I think people want to know. And based on the information that you have, what type of information can you give me? And if you can break it down between the Northwest, which is primarily anything west of Pinehouse, versus the Northeast, which is La Ronge and anything east as far as the borders. And of course the territory border in the absolute North. These are some of the things that a lot of people want to know. So I'll leave that first question to you.

Hon. Mr. McMillan: — Mr. Chair, and to Mr. Belanger. I guess specifically to your question of natural gas in northern Saskatchewan, my riding and yours butt up together on the northwest corner. And at the very north part of my riding we certainly — around the Pierceland and up north even of Meadow Lake Provincial Park, right where our two ridings meet — there is substantial gas reserves in there, and a certain amount of production.

As we go north of that any distance, it really . . . there is no production or no current exploration, not saying that there couldn't be development as we go forward. On the east side, again in the northern administrative district, on the east side there's currently no production of natural gas on that side.

[19:15]

I know in your preamble to your question you talked about the jobs in northern Saskatchewan, those opportunities. We certainly have some very interesting potential and current development in the uranium. You mentioned the peat industry and the biomass, forestry.

One specific to the Northwest is the oil sands potential that in the last year has shown a great amount of opportunity and potential further development that we're very hopeful that . . .

We know the resource is there. We know that the opportunities are there. And it's a matter of technology and capital catching up with the opportunity we see ahead of us.

So I'm happy to answer further questions, certainly in those regards, about that part of the province, if the committee is interested.

Mr. Belanger: — Yes, absolutely. I think the people that have the information and knowledge of the oil sands, and of course the natural gas activity in our area is where I'd like to go. Because obviously I think on the east side there may be limited opportunity, whether it's because the availability or the investment is not there of gas activity in general. So I certainly want to spend a bit of time on the northwest part of Saskatchewan. That's the northwest corner.

I know that there was a lot of activity with the Oilsands Quest. And we actually took a couple of tours of the actual exploration camp and then of course the surrounding area, and saw a lot of promising developments and opportunities.

But the big thing with the Oilsands Quest — and you can correct me if I'm wrong — a lot of people generally say look, Fort McMurray with all of its activities is probably 70 to 80 miles from, say, Buffalo Narrows or La Loche as the bird flies. So you can't have all that activity 70 miles away and not expect any activity in our area. That's the argument that I hear all the time. And the oil doesn't stop at the border. You know, we have these compelling arguments.

And I have some background information, and I just want you to confirm if it's true or not based on some of your information, because obviously your department would have a lot of that information handy. But is it true to say that, based on the geography of Saskatchewan, even the 70 to 80 miles difference between Fort McMurray and La Loche say as an example, that the overburden on the Saskatchewan side is much greater than that in the Fort McMurray area? Is that a legitimate argument that some people make when they do the comparisons?

Hon. Mr. McMillan: — Mr. Chair, a bit of an update on the oil sands work that's currently going on. As the member pointed out, Oilsands Quest had developed a certain amount of property there. Those assets this past year went through a legal process and a successful bidder of Cenovus is now the owner of those assets. Also in this past year, in December's land sale, we saw two permitted areas taken up in that land sale. The Cenovus property, which they got through their process, is a total of 43,000 acres of land that Oilsands Quest had done a certain amount of drilling on and development work on. These two permit areas are a total of 478,000 acres — very large properties.

But relative to the size of the entire reserve that has been shown so far, the oil sands area in Saskatchewan is a total so far — with exploration it may increase — but of 27,000 square kilometres where oil sands is present in Saskatchewan. Now of course portions of that are going to be economical, we would expect, at some point for development. Portions of that are likely not going to be economical, but it is a substantial portion of the northwest part of our province that has potential for this development.

Now, specific to the member's question about the overburden and the differences between Fort McMurray and what we have where the Oilsands Quest property is, at Fort McMurray . . . I guess in Alberta in general there's two types of oil sands development. There's the stuff right around the Athabasca River where it's right at the surface. They're doing surface mining. The majority of the development in the oil sands in Alberta is actually in situ, where on the surface it's just a couple of wellheads where they inject steam in one and the steam pressurizes the formation, pushing the oil back out and liquefying it. And that would be the majority of the development in Alberta even.

Now in northern Alberta, they have developed far and wide around Fort McMurray, finding opportunity. An interesting one is Cenovus, who bought the Oilsands Quest property, has a property called Telephone Creek that abuts against the Saskatchewan border. And they're currently in, I guess, the development phase — I don't know the appropriate terminology — of their company, but they're looking at bringing that property into production that butts up against the Saskatchewan border and butts up against the property they've now purchased from the Oilsands Quest property.

Everywhere I guess you do resource extraction, there is a certain amount of technology. Every mine, every oil well is different to any particular part of our province or Canada than anywhere else. And you have to adapt your technology to where the water layer is, how thick it is, what your overburden is. In the Telephone Creek area, we would expect that the technology up to the border would be very similar to the technology that would need to be developed from the Saskatchewan border moving in. And we think that it's a very . . . a good sign that the company like Cenovus, who has a long history in Saskatchewan using technology in the Weyburn-Midale field of CO₂ for enhanced oil recovery and really pushing the boundaries of science to move our industry and the oil production forward.

They're now utilizing that same technical expertise in a completely different field in northern Alberta, and we think . . . are very hopeful in Saskatchewan, the same technology will be utilized there as well.

Mr. Belanger: — No, I think that the whole notion of the in situ, where you simply inject steam down pipes to liquefy the oil and pull it out from another pipe, that was . . . Is that easier on the Alberta side primarily because they have natural gas or because they have the facilities or the means to use the in situ process to attract oil on the Alberta side? Because I'm assuming that in situ means steam injection technology. And how do they heat the steam? Is it through a natural gas process that we don't have on this side? Like, how does that work? Like, how do they heat or how do they use . . . How do they inject steam down there? How do they heat the water?

Hon. Mr. McMillan: — Mr. Chair, it just dawned on me shortly after the member started asking his last question, I didn't actually answer his previous one. The depth of the overburden on the Saskatchewan area around the oil, the Cenovus property, is about 500 feet. So that's a specific answer to that question.

To the current question, the in situ technology, the utilization of

steam to heat and help pressurize the zone to produce the oil, that same technology is currently used in Saskatchewan today. In the Lloydminster oil field they utilize steam a great deal in the heavy oil around the Pike's Peak south location of Husky. They're using just that, using boilers with natural gas boilers to heat steam to heat the oil, help it migrate, and produce oil.

So the technology on the creating steam, the pumping steam isn't necessarily a challenge. I would expect that the challenges that Cenovus is currently working through with their Telephone Creek property formation on whether the overburden is appropriate to handle steam, all those types of issues are what needs to be worked through. And they're currently working through it on their Alberta-side property.

Mr. Belanger: — It's a very interesting issue, very interesting topic because I'm trying to make the two, all the parts fit together. So I'm saying, okay why are they having in situ happening on the Fort McMurray side? Have they got facilities? And obviously you say they use natural gas to create the steam. Now it's applied in Lloydminster, as you indicated. But how far is Lloydminster from the . . . What's the name of the field? Sorry.

Hon. Mr. McMillan: — The oil sands on the . . .

Mr. Belanger: — Oilsands Quest property. Well now it's Cenovus. But it's probably, I would say, 4 or 500 — maybe not that far — but maybe 3 or 400 kilometres. So obviously they don't have the natural gas steam process available 3 or 400 kilometres north of Lloydminster, if it's that. Maybe it's a lot less.

So my only argument is again I'm looking at the in situ process that you'd probably employ on the Saskatchewan side. They don't have it available now, so I'm assuming that they'll import the technology and the services over the border to create the in situ opportunity on the Cenovus property, which was formerly Oilsands Quest. Is that a fair assumption to make?

Hon. Mr. McMillan: — I think that that's a very reasonable assumption to make, that the technology is going to be transferable. It isn't bound by one jurisdiction or the other. I think the natural gas isn't a barrier either, that for projects of the size and scope we're talking about, that infrastructure is in place, again as you say, 80 miles away, between that property and Fort McMurray, and the corridor would run north-south, so likely far closer than that. Cenovus would be bringing in the pipe and natural gas infrastructure to their property, which is far closer.

I think, you know, why has the Alberta side developed in such an aggressive way compared to the Saskatchewan side when we both have oil sands potential? I think there may be geological reasons of depth than they went after at Fort McMurray. It was a very obvious place to start because it was right at the surface. But as technology developed, it was employed further around and they had shifted from not just surface mining but also to in situ. I think that also over the last 50, 60 years, political climate has paved an effect on where companies have chosen to invest their capital, and our oil sands weren't pursued with the same vigour as possibly those to the west of us were.

[19:30]

Mr. Belanger: — Yes I certainly concur with the assessment that perhaps on the Fort McMurray side, the proximity of the oil sand deposit is probably a lot closer to the surface than on the Saskatchewan side. And just by the visual or topographical view, because I've flown from La Loche into Fort McMurray and back three or four times, and as you leave Fort McMurray — and I've left there in the evenings — and as you're flying home it's only about a 45-minute flight at the most, if that, but as you come to the border, you can actually literally see the shimmering lakes. There's a heck of a lot more lakes on the Saskatchewan side of the flight home. Now one would assume, okay, you have a lot of lakes. You're going to assume there's a lot more overburden to provide the base of those lakes, so obviously the in situ process is probably more problematic in our area than it is in Fort Mac [Fort McMurray]. While northeastern Alberta has a lot of lakes, I don't think it has anything compared to our lakes.

So when you talk about the potential challenge of injecting steam, what it may do to not just to the ecosystem but to the whole base of our land and Saskatchewan's land, have you had any consultation or any studies or any environmental presentation as to what potential risks might be incurred or we might have if we decide to look at the in situ process for a place like Oilsands Quest property?

Hon. Mr. McMillan: — In regards to the oil sands and environmental challenges that may be present, I guess a general comment would be that our projects aren't at a point where they are looking to bring a major project into production. But before they would, they would have to do a full environmental plan. Our officials would have to do a full environmental assessment of their process and of the challenges. We would learn from the best practices done in similar technologies on the Alberta side, and before any project could move forward it would have to meet our very high and stringent standards for environmental sustainability. That would be true of the oil and gas sector or mining or really any of the extractive industries that we oversee.

Mr. Belanger: — Yes you hear a lot of the different . . . As you visit different communities, you hear so many of different perspectives of this particular, again going back to the, I guess you call it the Cenovus property now. But when you do have development happening, like for example in Fort McMurray, is it true that, as you have a development, they've got to set a certain amount aside for an environmental fund in which to mitigate potential damages or threats to the environment overall? Is there any truth to the fact that there is a fund set up by . . . I'm assuming CAPP is part and parcel of the process, the Canadian Association of Petroleum Producers. For the Fort McMurray area, is there a fund set aside for environmental, an environmental fund to prepare for any kind of damage to the environment overall?

Hon. Mr. McMillan: — In regards to Alberta's oversight or funds they may have, that would fall obviously outside of our purview or our area of expertise. What I can share with the member is the Oilsands Quest property. There was a certain amount of drilling that was done there of test wells that were put in. Those would, and do, fall under our orphan well program where wells set aside a portion of money for . . . if at

some point in the future they need to be orphaned and orphaned properly, that money is set aside.

Cenovus is obviously the owner of them and is responsible for them, and is responsible for the reclamation and the abandonment of them if that time ever comes. But if they were no longer the owner, if any number of things happened, those wells still have that money set aside now so that at some point in the future, if they did need remediating, it could be done. So that is in place here in Saskatchewan.

Mr. Belanger: — Just based on some of the checklist that you may have in relation to development as a whole, indicating that there is a certain standard from the environmental protection perspective, so to speak, that you would have a rigorous process in place that would protect the environment in the event that there was a threat to that particular environment, then one would assume that the oil or gas companies that are developing the site would be the responsible party to mitigate those damages and take care of the problem. Is that the approach you would take as a minister and as part of the government, that the polluter should be paying? Is that the approach you take now?

Hon. Mr. McMillan: — In regards to the responsibility of the Energy and Resources, any company has to file with our ministry their emergency measures response plan for any wells or facilities that they have. And that plan would dictate how they would handle any event, be it environmental or otherwise, and how it would be dealt with.

Mr. Belanger: — Now if you look at the tar sands as a whole, the activity of the Fort McMurray area, what kind of environmental challenge would they present to Alberta? Because obviously you have that much development, that huge of a development, like what are some of the risks that one would expect, based on your officials' experience, from a development of that sort? Like what would it do to the air? What would it do to the flora and fauna? To the water? What are some of the risks that one would expect from a project that size?

Hon. Mr. McMillan: — In regards to Alberta and the challenges of their development, I would leave those questions for Alberta and what plans they have in place. In regards to any development here in Saskatchewan, I'd be happy to answer any of those questions.

Mr. Belanger: — The reason why I'm asking, just for your information, is that there's all kinds of rumours, and because of the westerly winds, that we enjoy the pollution, so to speak, of the Fort McMurray activity, where people are saying 70 per cent of the pollution attached to the Alberta oil sands or the Fort McMurray activity is being deposited on our land. So if I was your neighbour and I had an incinerator in the back of my yard and I was dumping all the soot on your property, then if somebody went to see you, you wouldn't say, well that's my neighbour, it's his problem. It's actually our problem. It's actually your problem.

So the rumour is that, based on the fact that CAPP is part and parcel of what's happening in Fort McMurray, they are under this pressure to try and appear more environmentally friendly, so they have all these commercials on TV. But is it true that in

Alberta and based on your experience with CAPP — again going to CAPP because there's people that belong to CAPP in Saskatchewan — that there is a rumour that there's a multi-billion dollar environmental fund that the oil and gas industry is sitting on that Saskatchewan could be taking advantage of to mitigate some of the environmental degradation that we are suffering as a result of the activity in Fort McMurray?

Hon. Mr. McMillan: — In regards to again Alberta programs, those would be questions better for the Alberta government. In regards to the effects of their development on our environment, the Ministry of the Environment has invested substantially over several years in northern lakes monitoring and in a substantial amount of work that in their estimates they could walk you through very step by step exactly the work they've done and the investments made to ensure that northern Saskatchewan remains the great place that it is. But those would be better questions for Environment.

Mr. Belanger: — But I guess based on your comment earlier that you're going to ensure that there's a rigorous environmental code attached to any project that your department would permit, one would very easily assume that you would be knowledgeable of the potential threats or risks to the environment because obviously you'd have to be. So if company A wants to come and develop a certain area for oil and gas then you can't say, well we don't know what the environmental risk is; go and ask the Environment. But we do have this Environmental Code. So again I'll ask the question: what environmental risks, based on your department's understanding, would be associated with the oil and gas play in an area such as northwestern Saskatchewan?

Hon. Mr. McMillan: — On any given project, depending on how it was developed, the risks would be very different. And even in the vast area in which our oil sands area is, it's likely that there would be different technologies utilized in different areas. Based on what technology is used, the nature of depth, of overburden, of all those pieces, there is likely different risks with each of them.

My comment earlier was that any project that moves forward would have to articulate, would have to have an environmental plan, an environmental assessment, and those would be based on their technology, their development plan. And with that we would ensure that it met and was acceptable development here in Saskatchewan, but it would be very specific to what and how it was being developed.

Mr. Belanger: — And that's my point, in the sense that you've indicated that it's important that we articulate the environmental standards and code. So I'm assuming, when you want to articulate the Environmental Code, that you'll have intricate details as to how you would do that. So I guess my question is, do you have people within your department that would have the environmental agenda, so to speak, to ensure that your code is being met and that you are able to articulate with intricate detail what environmental steps are necessary for the project to proceed?

You wouldn't just simply call the Department of the Environment. I'm sure you would have the capacity within your

own department because obviously you're espousing the Environmental Code when it comes to development of oil and gas.

[19:45]

Hon. Mr. McMillan: — To the member's question, there is . . . Certainly the responsibility would be, on the surface, it would be the Ministry of the Environment and their oversight.

You speak of the Environmental Code. The Environmental Code is the Ministry of the Environment's document or it's under Ministry of Environment legislation and responsibility. So that again would be better questions posed for the Ministry of Environment.

Our oversight and the regulation we apply is on subsurface and ensuring that that development was done in an appropriate and sustainable manner. And that would be based quite specifically on the geology of the formation, the technology that was being utilized, and many other factors that would be specific to any project.

Mr. Belanger: — But on a specific project basis — I'm trying to wrap my head around this particular issue — am I to understand that when it came to a project or you as a minister said, we think this is a good project, we should proceed; and the Environment minister says well no, it creates too many environmental challenges, who would win that argument? Who would overrule whom?

Hon. Mr. McMillan: — With these projects or any other project, the project would have to have all of their environmental work completed and approved before a project could move forward.

Mr. Belanger: — And I certainly agree because I think, out of all the ministers in general, I think the Ministry of the Environment cannot be persuaded to political pressure or otherwise to compromise the environmental integrity of what they're supposed to be protecting. So he would say no, it's not going to happen. It's not going to happen.

So your point being or my point being that if there is some serious challenges from the environmental perspective, that opportunity has to be exercised through the Department of the Environment. So in theory, again I'm not trying to trap you, I'm just trying to make sure that when you say it has to be environmentally sound, that responsibility is not yours. It's the Department of the Environment totally. Am I to understand that correctly?

Hon. Mr. McMillan: — Again to delineate where those responsibilities would lie, responsibilities for the air, the water, or the land, those would be Ministry of the Environment, and under the legislation that they have in place to govern the environmental responsibilities they have.

Our responsibilities would largely be under *The Oil and Gas Conservation Act* to ensure that they meet all the requirements and approvals that we have. Those powers lie largely under that Act.

Mr. Belanger: — And how many staff would you say you have under that statute of that Act?

Hon. Mr. McMillan: — There would be 70 or 75 people that are the responsibility for the regulatory oversight in that. *The Oil and Gas Conservation Act, The Pipelines Act* would be two of the pieces that would require the framework for the regulation and oversight that they provide.

Mr. Belanger: — I'm pleased that there is that particular role in the oversight that's in place. Because obviously you look at some of the discussions around pipelines and, you know, the safety of the pipelines and, you know, the list goes on and on as to the challenges, yet there's great opportunity. So one has to be very careful in that regard.

Is it public record as to . . . Okay, the one I would assume, again, you're looking at the Cenovus property. Is it common practice for oil and gas companies to kind of put out what they found, like in the event that they're going to be selling the property? Would they kind of advertise what they found? Is it public record, like based on the test drill holes and their activity? Because if I own a gas field and I show a lot of activity, I want to show it off to the world. So if one of the leaders of the North decided to say, well where is Cenovus now? Where are the test holes? What have they found? Is that readily available?

Hon. Mr. McMillan: — To the member's question, if it's an exploratory well, they can hold that information privately for a year. But after a year, that is information about the resource of the people of Saskatchewan and it has to be made public. If it is a production well, it's only 30 days and that information is made public.

In Saskatchewan we have our geological laboratory, which houses over \$1 billion worth of core information. And the number that seems to come to my head is about 360 kilometres, or 360 miles worth of cores if you lined all the cores in that laboratory up end to end. So a substantial resource, substantial amount of information. Interestingly, in the northern part of Saskatchewan in the mining field, it's three years in the Athabasca Basin or for base metals where information is by law made public after three years.

Mr. Belanger: — Would you be able to provide us a map of those activities? Have you got a map available through your department?

Hon. Mr. McMillan: — A map of the geological potential in Saskatchewan?

Mr. Belanger: — No, just the activity surrounding the Cenovus property.

Hon. Mr. McMillan: — Certainly we can provide the committee with a map.

Mr. Belanger: — Okay. I'll look forward to receiving that.

Hon. Mr. McMillan: — We could also provide the two permitted areas that were taken in the December land sale, just to give some context as to where that potential may lie as well.

Mr. Belanger: — There's not a lot of information on the Cenovus well. We call it Cenovus now, but on the Oilsands Quest property, you mention that they have a permitted area 478,000 acres. Or is that the total oil sands deposit in the northwest part of Saskatchewan? I just want to be clear.

Hon. Mr. McMillan: — The Cenovus property is 43,000 acres. The two permitted areas that were taken in the December land sale, the two of them together total 478,000 acres. The total area of the oil sands potential, where we know oil, where we know it exists, is 27,000 square kilometres.

Mr. Belanger: — Now obviously Cenovus, the 478,000 acres, would probably have all the information available to them. They're quite adept at figuring out where the oil is. So I'm assuming that the vast majority of the potential for extracting that oil and the volume of the deposit of oil is probably within Cenovus's claim.

Hon. Mr. McMillan: — It's only 43,000 acres which is Cenovus's property. There's . . . How many core holes were drilled?

Mr. Dancsok: — About 325.

Hon. Mr. McMillan: — About 325 test wells that were drilled there to define the resource. Those 325 wells are public, so anyone could see exactly where, how deep the overburden is, how thick the pay zone is. All that information is public today.

Mr. Belanger: — Good. I guess on the 43,000 acres that you made reference to, did you sell the lease to them or did they assume the lease from Oilsands Quest when you say that Cenovus has this property now? So when you say the land sales . . . Like did they buy it off the current government or did they buy the rights off Oilsands and thus inherited those rights?

Hon. Mr. McMillan: — It went through a receiver process, through a legal process. That's how they acquired the assets.

Mr. Belanger: — And what would a 43,000-acre plot cost? Like what did Oilsands first pay for it and what did Cenovus get it for under the receivership bid?

[20:00]

Hon. Mr. McMillan: — Okay, I'll try. I've got information spread all over my page here. The original Oilsands Quest lease or permit area was taken out as a claim. Being where it was at that time there wasn't . . . It didn't come up in a land sale. It was claimed just like you would claim an oil or a uranium or a base metal claim at the time. That's how Oilsands Quest acquired it.

Through the receiver process, we understand that in October 2012 they acquired the asset for \$10 million. To add a little further information, the two permitted areas totalling 478,000 acres that I spoke of earlier, in the December sale it was \$1 million to purchase those two claims.

Mr. Belanger: — That's a stark difference between 43,000 versus 478, where you get 10 times what it cost you for 43,000 acres versus 478. And they paid \$1 million for 478,000 acres?

Hon. Mr. McMillan: — I think the difference there would be a couple-fold. The work, the 350 wells . . .

A Member: — 325.

Hon. Mr. McMillan: — 325 wells that are on the Oilsands Quest has proven up a resource, and the initial claim that Oilsands Quest took was substantially larger and they have to revert back a certain amount of it over time. That took place to what was then transferred. The two permits that were taken out in December are at the larger permit stage. They don't have any value-added; no one has done any test drilling to prove up a resource. So we're kind of comparing apples and oranges to compare the two, but I did want to provide the information just for context.

Mr. Belanger: — No I think that information is very much appreciated because people have to know how this basically works. And I do agree that you are comparing apples and oranges when you look at the difference in terms of exploration and activity and information on one site versus a brand new wider site.

Now what happens now with Cenovus? They paid a million bucks for this 470,000 acres. How long does that give them rights on that property? Is it for one year or is it two years or do they have the right and option to renew next year?

Hon. Mr. McMillan: — Okay, I just want to be clear on the two parcels of land. The 478,000-acre permit is not owned by Cenovus. That is a permit that was taken by Scott Land & Lease in the December sale. The Cenovus property is 43,000 acres. Now the Cenovus property, they have 15 years to bring that into production, and they pay an annual rent of \$3.50 per hectare. The permit on the 478,000-hectare Scott Land & Lease permit, it is treated like a southern, any other oil property in Saskatchewan. There's five years to bring it into development, to add value to it.

Mr. Belanger: — So in theory, like the five years, they pay \$1 million. Is that each and every year, or is that 1 million for five years?

Hon. Mr. McMillan: — It's similar to any other land sale in Saskatchewan. The land is put on the sale at the request of industry. All industry can then look at it and bid on it, and the successful bid was \$1 million for the two parcels. So that is a one-time bid price. They get it, and then they pay the \$3.50 annual rent per hectare for the five years, at which point it would either revert back to the Crown, to the people of Saskatchewan, or . . . Oh work requirements is \$1 per hectare per year in addition, to maintain the land past the five years. So to say this clearly, if they want to maintain that land in its entirety, they would have to add \$1 of value per hectare per year on all 478,000 acres. So that's a further work requirement as well.

Mr. Belanger: — So based on \$1 per hectare per year, what would that translate for the 478,000 acres? Math wasn't my strong suit. How many acres in a hectare?

Hon. Mr. McMillan: — So in hectares, that permitted area is 197,000 hectares. So that's \$197,000 a year of work

requirement that they would have to add to it for five years to maintain it in each of the years. And there's no rent on that. It's just a work requirement over those five years, to clarify that.

Mr. Belanger: — So the five years — that's what would make up the \$1 million? It's not a \$1 million land sale plus the 200,000? Is that correct?

Hon. Mr. McMillan: — Both.

Mr. Belanger: — Both. Okay.

Hon. Mr. McMillan: — The \$1 million is a sale of the right to have it for five years. And that is just cash, if you will, to the people of Saskatchewan, to the GRF [General Revenue Fund]. The work requirement is the development of drilling, drilling the property to define the resource. If they were to do that 200,000 for round figures per year, they would be able to maintain it past the five years.

Mr. Belanger: — Now so if an Indian band and a couple of communities got together and formed this energy company — they want to look in oil and gas — you're saying today that had they made a bid for this property, had they paid a \$1 million bid plus the 200,000 per year to maintain the land for five years, that they would have any development opportunities attached to the 478,000 acres of land. Is that correct?

Hon. Mr. McMillan: — Yes.

Mr. Belanger: — Okay. Has there been any interest expressed by any such company? Has there been any companies that have had First Nations or municipal partners in that area as part and parcel of any bid for property rights that this company currently enjoys? I'm trying to see if there's any interest out there.

Hon. Mr. McMillan: — There over time has been bids from many different companies that are unsuccessful. We have a threshold where we think it's valued at, and if the value isn't reached it doesn't go forward, from many different proponents.

When it's a proponent like Scott Land & Lease, we don't know who the investor for the group behind the purchase would be. At some point if it moves on to development, it is often revealed that it's a group, a community group or a larger player that is bringing it forward.

My understanding is that several packages were, over the last several years, have been put forward and have had unsuccessful bids. Some of those may have had First Nations involvement.

Mr. Belanger: — So this company you mentioned, what was its name of the company again and where are they from, the one that got the lease?

Hon. Mr. McMillan: — They are based out of Calgary, we understand. They have an office in Regina as well and they act as a professional land agent for the energy industry.

Mr. Belanger: — Okay. So as an agent they can actually acquire property rights on behalf of an oil and gas company. They would look after all those particular aspects of securing property rights. Is that correct?

Hon. Mr. McMillan: — That's correct.

Mr. Belanger: — Now I want to head just a bit north if I can, in relation, because I've got a few more questions on the oil and gas sector itself. But no I think it's important that a lot of people understand how the process works. And the land sales I am assuming go out in December of each year . . . or the interests. Is that the correct time frame? Or is it on a monthly basis? How does that work?

Hon. Mr. McMillan: — Land sales are done every two months. First land sale is in February and then every two months following that.

Mr. Belanger: — Now if I were to find, say I had an interest in a certain piece of land that I think that there's gold there. Now as a northern person that lived in Ile-a-la-Crosse all my life and I wanted to secure the rights to that property, how would I go about doing that? Like how would it work? Would I have to apply to SERM [Saskatchewan Environment and Resource Management] or would I have to apply to your office? Like when you mention staking versus land sales versus claims, you know, that are done through a different process, generally how does that work? So if I go and say I travel home today and I see a nice glitter of gold on the side of the road and I want to stake that land out for my company, is it that easy to get a hold of your department and say, this is the area I want, and then all of a sudden you have it? Is that how easy it works?

Hon. Mr. McMillan: — I guess the scenario that the member put forward is about if we think there is gold in a piece of property. That would fall not in the land sale as oil and gas rights do, but under mineral claims regulations. I spoke earlier about how Oilsands Quest was first acquired under a claim system. It would be that same system. Now in the years since Oilsands Quest acquired their property, we recognized our potential in oil sands and have brought that in line with our other oil potential in the more southern part of the province. But that same principle that a claim was staked under is still the effective system that we have for staking base metals, gold, uranium.

And now if I was a citizen and I wanted to stake a claim, in recent years we have changed the system from what had traditionally been the system, going back to really when we became a province, to putting it online and allowing people to stake a claim on very high-quality digital maps. The process you would have to go into is you have to register with the ministry to make a claim, but once that's done, you can go on a computer anywhere in the world and stake a claim in Saskatchewan. There is a fee for that, but that fee has actually been diminished in the past year because by doing it electronically, it is more efficient. And there is less cost to the ministry, so we passed those savings off to the citizens as well.

[20:15]

Mr. Belanger: — So if I uncovered a gold find half a mile from my home community, and I staked a claim saying that I want three acres of this property and here's my Visa, now that permitting system would allow me to stake that area for gold only — is that correct? — or any other minerals I might find.

Hon. Mr. McMillan: — The potential gold deposit you found, if you wanted to stake it, you'd go online. You would see a digital map of that area. It would show any particular current claim or anything that was not available, and you'd be able to claim the portion you wanted that was free.

The system is . . . We have projected the township land system that's currently in use in southern Saskatchewan, in northern Saskatchewan, and that same geographic framework is in place. The smallest claim that you could take is a 40-acre claim, so you'd get more than just the half acre you'd think that it's in. And the suite of minerals that you'd be able to mine would be base metals, gold, uranium — really anything that's currently mined in northern Saskatchewan would fall to you. So if you get underneath the gold and you find a great deposit of uranium, you could harvest that as well.

Mr. Belanger: — Now the same principles would apply then. So suppose I applied for 40 acres of land, thinking that there's gold there. Then I'd pay a permit fee. I wouldn't mind knowing what that fee was for 40 acres. And you would, like the oil and gas companies attached to the Cenovus property, you would have it for a five-year time frame provided you paid X amount per year and you looked at opportunities to develop. Is that true?

Hon. Mr. McMillan: — So if you have taken out your 40-acre claim and you want to explore it, you can leave it in the claim format. To keep it active, you have to do a certain amount of development work to show that you're not just tying up land and not allowing it to be produced. If you want to actually start producing the mine, you actually have to convert it to a lease. And then a lease is for 21 years, and that's to allow you to put in the infrastructure you'd need to develop the mine and move the project forward. We're going to endeavour to get to you, before tonight's session ends, the exact amount of work that you need to do each year to keep your claim active and the fee that it would cost to take out that claim as well.

Mr. Belanger: — So I have the past activities of the Cenovus property and that information that you will be forwarding to my office, is that correct?

Hon. Mr. McMillan: — That's right. We'll get it to the committee Chair, and they will pass it out to the committee members. I think it's likely we'll get you this information by the end of this evening's sitting.

Mr. Belanger: — Would that information, for example, if some company drilled for gold 30 years ago, would there be a history attached to that particular property? Would that show on the information that you would get?

Hon. Mr. McMillan: — Again, our geological laboratory houses all that information. Any core hole that was ever drilled is the property of the people of Saskatchewan. It's kept in our geological laboratory and anyone has access to it after the proprietary year, I believe I said earlier, has expired.

Mr. Belanger: — I just want to spend a few more minutes on the notion of the Primrose bombing range. There's been a lot of activity over the years to try and get access. The land obviously is leased to the federal government for national defence

purposes. So they can arbitrarily overrule access to the property. I think the base commander has more authority than the Premier of Saskatchewan when it comes to that particular piece of land. So that being said, there hasn't been any recent activity on the Primrose bombing range from any interested oil and gas companies?

Hon. Mr. McMillan: — In regards to Primrose weapons range, current statuses are 34 gas wells that were drilled in the mid-'90s. The access agreement from that time expired in 2003. There currently isn't — now there's still access to those wells of course — but an updated access agreement with the federal government we have not been able to attain.

Mr. Belanger: — That's on the Saskatchewan side. It's not the Alberta side. Is that correct?

Hon. Mr. McMillan: — That is correct.

Mr. Belanger: — There was also a lot of discussions about the fact that the property in question probably does hold a lot of promise in terms of the volume. I'm not sure, I think it's a quarter of a million acres on the Saskatchewan side that probably has a lot of potential for oil and gas. Correct me if I'm wrong in terms of the acres. It might be a bit more. Is it 1.6 million acres total?

But anyway the risks attached to all the different types of bombs and the unexploded and the dangerous basic problems that one would have in going in there to explore for oil and gas, that it presented too much of a risk for any oil and gas company. Is that still the reason for not going into the bombing range?

Hon. Mr. McMillan: — In regards to possible or potential risks, our experience with the development that had taken place there pre-2003 did not . . . There was not any events or circumstances that were involving ordinance of any nature. We have pursued a further access agreement with the federal government. We've been unable to secure one, but the reason that they have not been willing to negotiate another one would be better questions of them than us.

Mr. Belanger: — Now one of the . . . I just want to quickly spend a bit of time . . . Who's basically your energy guy, the gentleman who was directly behind you? I think he left. Oh, the guy waving back. What's his title, his name and title?

Hon. Mr. McMillan: — Hal Sanders, assistant deputy minister, minerals, lands and resource policy.

Mr. Belanger: — Hal. Okay, sorry. Sorry, Hal. Now I suppose the thing that really sticks out to me with your portfolio — energy and mines — and right in the middle of that you have Tourism Saskatchewan. You know, it doesn't really fit, so to speak. And I'm not saying that to be funny tonight. It just seems an awkward fit. So suppose you have a really prime piece of land that has a lot of oil and gas potential and yet that same piece of prime land's got huge, huge potential for tourism. Do you kind of let Mr. Sanders and Mr. Fiacco go outside and whoever comes back in wins the battle? How do you make the decision when you have that kind of conflict of ideals?

Hon. Mr. McMillan: — I would see it otherwise. The tourism industry is a \$2 billion industry in our province, and it is from border to border — north, south, east, and west. It leverages off of our fantastic lakes, off of prairie landscapes, our history, off of all those iconic tourism pieces that we all think of, the camping. It also is driven in large part by the industry that we speak of as well, that hotels in many of the small towns in southeast Saskatchewan have been full for the last several years.

You see in Lloydminster new hotels being built. Today on the Saskatchewan side, there's two just right beside the highway that are currently under construction. All of these are bringing people to our province for other types of tourism other than the iconic lakes. So I don't think it's one or the other. I think that there are a lot of reasons that people are coming to Saskatchewan to enhance our tourism industry.

[20:30]

Mr. Belanger: — No. I think it's important, that kind of position. You look at it. There is a conflict of ideals at times, you know, because there's obviously . . . You'll run into that. You know, and for the record, my money is on Sanders because he has a mean left hook.

But anyway I think what's really important is that if you look at that particular conflict that might occur, and you look at the Far North as an example where people in the Far North that get the Athabasca River flow from the Fort McMurray area, they are claiming that there's huge degradation of their water quality and threats to their fishing stock. And yet nobody seems to listen.

And yet you tour the Athabasca Sand Dunes, and you look at the beautiful landscape out there and the crystal clear water, there are some significant environmental risks to a great tourism spot caused by Alberta. So what I didn't know is that the Fort McMurray river not only captures all of the waste attached to the oil sands activity, but it also has four or five mills that also dump their stuff into the river.

Now the Fort Chip people, if you look at that, and I spoke to a police officer that was stationed there for a number of years. He started developing some serious health problems, and they think it's attached to the water supply. So you have all this activity, oil and gas and pulp mills, and yet you see the overflow — not just the air quality problem and deposits on the land — but to the water system that we share with Alberta. And this is the stark contrast that I made reference to. I made light of it, but the fact is there are those challenges. So sooner or later we've got to figure out what we're doing here and to use your phrase, to cut the wheat from the chaff, if I said it right.

But in the Far North, Lake Athabasca, a beautiful piece of our Saskatchewan land, they've got the sand dunes. They've got the beautiful lakes. They've got tremendous tourism potential, but it is being destroyed and degraded by the pollution that we're receiving from or through the Fort McMurray river system. So a lot of the Athabasca Basin people are quite frankly really upset that nothing is being done about that. So thus the question is, how do we balance the environmental importance attached to Tourism Saskatchewan versus the quick economic benefits of oil and gas?

Hon. Mr. McMillan: — Now as far as the environmental nature of northern Saskatchewan, as we'd spoke earlier, better questions for our Ministry of the Environment who does a substantial amount of water testing and water quality work in northern Saskatchewan and would be able to walk you through that fairly closely.

But in regards to the deposits in Lake Athabasca, that lake actually flows from Saskatchewan into Alberta, and this is — you may correct me because this is your backyard not mine — but it was a year ago that I was in that area, and I may have been turned around, but my understanding was that one flows from Saskatchewan into Alberta, not the other way around.

Mr. Belanger: — You must've got turned around.

Hon. Mr. McMillan: — What's the falls there right at the eastern end of the lake, right by Black Lake . . . [inaudible interjection] . . . It comes from Black Lake into Lake Athabasca and then keeps heading towards the west. So if there's any pollution there, I think we're sending it to Alberta, not the other way around.

Mr. Belanger: — [Inaudible] . . . those falls. But the point being is that, the point being is that I'm just saying it's an odd fit because you look at the oil and gas sector and you look at Tourism Saskatchewan, and obviously there's got to be some clash of values from time to time. Like we don't all live in this or take a Pollyannaish view of how things could work. My only point is that we have to ensure that both fronts are afforded opportunities and that there is value on both fronts from the economic perspective and a number of other perspectives as well.

So my only point is that I think that we need to do something about the pollution that is being deposited on our lands from Fort McMurray and through our river system and through our ecosystem. And the whole thing is that it's nice to see them enjoy the bounty of their oil and gas exploration, but it's another thing that when they're polluting our particular lands and stifling opportunity for tourism, that we ought not to simply shrug it off and say, this is an environmental issue. It doesn't really affect me. In many ways it does because of Tourism Saskatchewan in your backyard or within your portfolio. I think it has everything to do with holding people that are polluting our lands to account for why they're doing that.

Hon. Mr. McMillan: — And I would concur that any development that falls under the oversight of our ministry we need to ensure and we do ensure that it meets our high and rigorous standards for sustainability and environmental sustainability, not just for the tourism aspect but because that's the expectation of the people of Saskatchewan of any development in our province. But again I would say that on the tourism side, having a strong and robust industry in oil and gas, in potash, in uranium, has truly driven our tourism numbers in recent years.

As I said earlier, it's a \$2 billion industry. It's the restaurant meals that are feeding the rig crews that our going out. It's the surveyors. It's the seismic crews. All of those are filling our hotels and helping fuel our tourism industry because we have a robust and advanced resource-based economy as well.

Mr. Belanger: — Okay. Thank you very much. My colleague has about another half hour of questioning. He wants to get a few questions with you. And then following that, I think we're going to Water. So thank you very much, and thanks to your officials. And as I indicated, my money's on the Senators.

The Acting Chair (Mr. Hutchinson): — Thank you. We recognize Mr. Wotherspoon.

Mr. Wotherspoon: — I've got a few different areas, Mr. Minister, I'd like to touch. And thank you to all the officials that are here with you here tonight. The first one would be as it relates to surface rights, and I'm interested as to whether you're planning as a ministry to be renewing or overhauling *The Surface Rights Acquisition and Compensation Act*.

Hon. Mr. McMillan: — The quick answer to that is yes. I've stated publicly that we're currently working on it today, that we'll be consulting with stakeholders over the next few months. And we think that the oil industry has changed in the last 30 years. The farming industry has changed in the last 30 years and that we need to ensure that our legislation keeps up with those changes, that the principles that have been put in place, they need to certainly be maintained, but they need to reflect the changes in those industries. And we are currently undertaking the work to ensure that that review and any possible changes happen in a timely manner.

Mr. Wotherspoon: — Thank you. And that's good that it's going to be worked on, as well recognizing I think just the changes. This is an Act from 1968, and I know you're very familiar with the changes in the industry and the technologies that are being utilized and deployed through those oil fields and then of course the change in agricultural practice and landownership as well. And some modernization of that Act is going to be very important.

Now do you have a timeline on that process? And as well with that timeline, who do you plan to have engaged by way of consultation?

Hon. Mr. McMillan: — The timeline I have spoken about publicly, and it is that consultation will happen over the next several months. I have also said publicly and believe that many of the stakeholders have an agricultural background. Many of them are active farmers, and we know well that when you deal with people that are so involved in that industry, you don't consult during harvest and you don't consult during seeding, that you ensure that you find a time either between those two or after.

So our goal at this point is to reach out following the seeding and ensure that we get meaningful consultation. So who? Obviously the stakeholders such as SARM that represents every rural municipality in our province. Landowners that have been engaged with the oil industry for several years will have very meaningful contributions, I would expect. Industry that operates in our province will certainly, I would expect, want to put forward what they see as working or as challenges. So truly both parties that are governed by that Act need to be able to put forward where they think it can be improved.

Mr. Wotherspoon: — Thank you for that. As it relates to some

of the landowners or the surface rights holders, recognizing that oil in your region, up in that heavy oil, and the methods to extract and the industry itself is much different than it is in other parts of the province — certainly in the Southeast with the Bakken fields — I believe that making sure that that consultation is authentic to each of those regions is going to be important.

And the one group that I recently had the privilege of meeting with, and I believe you did as well, Minister, was the Southeast Surface Rights Association. They brought forward a brief with some of the concerns. They see also some solutions, a lot of them very practical. I'm wondering if at this point in time if the . . . Certainly I would suspect the minister is going to be working with the surface rights association through this consultative process. Maybe just to place that onto the record. And then also seeking if there's any points from that brief or that discussion that he can identify right now that he'd like to be seeing as addressed.

Hon. Mr. McMillan: — They provided me with, I would expect, a similar if not the identical brief that they provided the member with. We discussed it in great detail. And no, there were many things in there that . . . Well I think that their brief was very reflective of their experience and very legitimate of the ways they think it could be improved. I committed to them that we would certainly be reaching out to them as we went through the consultation period. Their members and their group have been engaged in the farming industry and working with the energy industry for a substantial period of time, and as the brief showed, there was a lot of lessons learned and improvements that they thought could be made.

Mr. Wotherspoon: — Yes. I couldn't agree more that there is a lot of common sense proposals in that brief. Is the minister committed to working in a consultative way with an association, certainly the Southeast Surface Rights Association, as a full partner through this process?

Hon. Mr. McMillan: — As I said in my last answer, I committed to them that when we sat down together we'd be reaching out to them as we went through the consultative process.

Mr. Wotherspoon: — The one thing that I suspect they'd appreciate, certainly the public may appreciate, is seeing a formal response to the brief in due course. There may be more analysis that's required, but certainly I suspect they'd appreciate hearing some of the positions of the ministry as it relates to that brief. And certainly I'd appreciate, if privileged to be included in that communication, just to see where some common ground is achieved.

Hon. Mr. McMillan: — As I said, I met with him. We discussed our brief in great detail, and as we go into the consultative process, I'll be reaching out and involving them.

Mr. Wotherspoon: — No. That's great. We'll track that process as we go. And your list of the stakeholders — industry, SARM [Saskatchewan Association of Rural Municipalities], SUMA [Saskatchewan Urban Municipalities Association] — they certainly should all be involved, certainly the landowners.

I didn't hear of any environmental stakeholders. Certainly, you

know, when we're thinking about flow lines and possible — well not possible — the spills that occur through the process, the saline spills, the other chemicals that are spilled through these processes, do we have environmental stakeholders that will be included as well, and who would those be?

Hon. Mr. McMillan: — As I say, we're currently putting together our process that we want to go through. Our intention is to have a very broad consultative process that includes anybody who wants to put forward comments should be able to and will be able to. At this point we're still working on how that process is exactly going to look.

Mr. Wotherspoon: — Thank you. But you'll be reaching out actively to environmental stakeholders as well.

Hon. Mr. McMillan: — To all stakeholders that we think that . . . To all stakeholders that we can identify as having comments that they would want to put forward and providing an opportunity for people that may want to provide comments that wouldn't be obvious to anyone. We think that everybody should have access to putting forward thoughts in this regard.

[20:45]

Mr. Wotherspoon: — Do First Nations have any unique interests in this process? Some of the lands I'm thinking of through the Southeast, as well I think of a First Nation like White Bear, there might be certainly value in engagement there as well.

Hon. Mr. McMillan: — I think that that very potentially could be very relevant.

Mr. Wotherspoon: — Well thank you. Thank you for those. I appreciate your comments as well in a positive way about your meeting with the surface rights association. I enjoyed the meeting as well and certainly will be keeping track of the file and appreciate any updates you can provide us as it relates to your work on this front.

I'd like to touch just a little bit on the Prince Albert mill and get a sense of where that project is at. I know I had some questions for the Minister of the Economy last week, and he said take them to you, Mr. Minister. So he said you were the guy with the answers.

You know, I think it's been . . . Of course this is a really important piece to the economy throughout that entire region and to our province as well. The Minister of the Economy was recently up in Prince Albert and said that he was quite confident that Paper Excellence, the current operation that's operating this mill, would work through I believe he called them hiccups and were moving towards being operational. Just looking to you as, I guess, direct minister responsible whether you share that confidence.

Hon. Mr. McMillan: — A quick update from I guess from the ministry's point of view on this project. I would start off by saying it's a private company, Paper Excellence, which has purchased the assets. They, from the time of purchasing it, have committed that they want to open it. As recently as a couple of weeks ago I believe, it was reported in the P.A. [Prince Albert]

Herald that their expected start date will be 2014. I think it's also been reported about \$300 million worth of investment to make that mill the type of mill that produces products that is relevant for Paper Excellence, the owner of the mill.

The mill owners actually are currently operating the Meadow Lake mill. Today it's been in operation for a period of time. And they're also at their P.A. site currently producing about 10 to 15 megawatts of power, which is part of their long-term plan and actually reduces some of the environmental liability that has accrued over quite a period of time with the biomass it's built up. A portion of that I believe was accrued at a time when the Government of Saskatchewan owned the mill, and that liability was accrued to the Government of Saskatchewan. So that's a bit of an update, but this certainly is the private sector that owns the mill and has a plan to move it forward.

Mr. Wotherspoon: — Right. But there's a direct role and responsibility of government to see the success of this project and process. It's really important to the region. And I know of course your Ministry of the Economy has placed direct dollars into training within that mill. The minister wasn't very clear as it related to where those dollars have gone for the training. I believe there's many within the community that are questioning whether that investment has been made.

I know the concerns I'm hearing on the ground in P.A., sort of through the business community and with the workers and former workers, is that the \$300 million that the minister referenced that maybe 10 per cent of that has been expensed at this point or has been delivered. Does the minister refute that, or is that sort of where he would see the mill being at at this point?

Hon. Mr. McMillan: — I guess, you know, to again clearly delineate responsibility, my understanding is that when Minister Boyd was before this committee, the committee had substantial questions for him on the training side, and skill development and job readiness falls under Minister Boyd's portfolio. And my understanding is that those questions were answered to the committee's satisfaction.

On the business development, the P.A. pulp mill moving forward, this is a private company that has bought assets, that have committed to bringing it into production. I believe they've set a date publicly of 2014. What this isn't is the Government of Saskatchewan hasn't signed a large memorandum of understanding. There isn't government dollars in moving the mill project forward. This is actually the private sector that wants to be invested in our province and has currently made investments and has made undertakings publicly to make further investments in hiring people and providing value to the products that are produced, to the raw materials that are grown here in our province.

Mr. Wotherspoon: — I appreciate the important role of the private sector in Saskatchewan, and certainly we have an important role to ensure we have a strong profitable private sector in Saskatchewan. In P.A. that's a profitable operational mill that we need to be working toward.

The question more specifically to the 10 per cent of that investment, that's an important one. What I'm hearing is that that's sort of maybe what they've made to this point. I also hear

that there's different components.

[21:00]

Now I don't know the operation of a mill inside and out, but I've been told that a press suction roll is absolutely vital to the operation, and that's 18 to 19 months away to be ordered, let alone to be installed into that mill. MC [medium consistency] pumps, high pressure feeders, all of these different components that are required that I understand at best would be 18 months away from being able to be received, I understand there's some question or a lack of understanding whether or not they've even been ordered at this point.

So recognizing that the lion's share of the investment hasn't occurred yet, that there's impediments to upgrading equipment that's going to be required if this is going to be operational, I'm just looking to the minister if you can give us a clarification as to whether or not those facts are the case. And if not, I would just urge the minister to put some oversight onto that file and be updated as to the current status of that project and just being able to communicate the timeline in a clear way to the public and certainly to Prince Albert and area.

Hon. Mr. McMillan: — As I stated in my previous answer, that as recently as a couple of weeks ago I believe the P.A. *Herald* had stated that the expected start date is still 2014. I believe they've already advertised for 41 employees to be hired this summer, an additional 200 employees over the next couple of years.

As for the member's questions as to if specific pieces of equipment have been ordered or not, you know, that's obviously the responsibility of this company who's got active mills in our province. I think . . . I'm confident that they know all the components that need to go into any mill to meet the requirements of the end product they want to produce. And I'm also quite confident that this company that has mills around North America and even beyond that, they know the order times, the production times, the delivery times of the equipment that they will be requiring, and that they will be making the appropriate decisions that they need to.

As I said earlier, they've made undertakings, and as recently as two weeks ago it's been again reported in the P.A. *Herald* that their start date is still 2014.

Mr. Wotherspoon: — It's out of some of the . . . I was up in Prince Albert coincidentally the same time as the minister — and I had meetings into the next day as well — and he spoke to the chamber of commerce there. And I know there was a lot of concern within that business community about seeing that mill being operational. They held a forum with that business community the next day, and they certainly shared a lot of their concerns around these technical components, that neither you or I likely know well, but they seemed to be quite concerned about the lack of activity on the ground, the lack of employment that's occurring, and what they would see as a lack of critical investment that's going to be required if this is going to be realized.

I guess to the minister on another front: where's he at in determining whether or not there's some concerns as it relates to decisions of China and a potential trade barrier as it relates to dissolving pulp?

Hon. Mr. McMillan: — A bit of an update in this regard. On February 6, China launched an anti-dumping action against five Canadian companies. Paper Excellence was not one of these companies. They alleged that these companies were selling dissolving pulp in the Chinese market at lower than world prices. So that action does not capture Paper Excellence. However if an action were to capture them, we are and have been and will continue to be in contact with our federal government and their trade officials with Paper Excellence to work through this process and try and ensure that Paper Excellence will not be impeded by any trade action, as we would for any company or operation in Saskatchewan that's trying to operate on the world market.

Mr. Wotherspoon: — Okay. So right now, is it the minister's contention then that there's not a concern that exists as it relates to a potential trade barrier with China?

Hon. Mr. McMillan: — Currently we have no dissolving pulp producers in Saskatchewan. The five that were named in the action by the Chinese government, that action does not affect any of our producers. If at some point in the future this Paper Excellence were affected by this, this or another trade action, there are several remedies that would be taken, one of which would be the . . . There is a provision under the World Trade Organization anti-dumping agreement for a new shipper review. Paper Excellence could request this review if or when it plans to ship its product to China. So if this action were to capture . . . There's a lot of ifs in this but I guess my message would be, we want to ensure that our companies have the freest trade possible. If our companies are being penalized, we will work with the company, with our federal government, and try and find solutions for them.

Mr. Wotherspoon: — Okay. We appreciate that it's on your radar and something important to track as well. Just there's a few moving parts to this piece and that's important. Is the minister aware when the non-compete with Domtar runs out? Does he have any concerns that this process seems to be evolving possibly fairly slow — not the China relation piece but the overhaul of the mill? Is it possible that if that doesn't occur and if it's slow walked, can they basically go past that point with the non-compete clause, and then can they then operate in a more traditional fashion?

Hon. Mr. McMillan: — My understanding is that what I've, in discussions with Paper Excellence directly and with other comments they've made, is that thus far they've been interested in craft pulp and that their intention at this point, or with the discussions I've had with them, is that that was the direction they were going.

Mr. Wotherspoon: — I took it up with the minister last week as it relates to a company that seems to have a relationship to the Paper Excellence or the mill anyways and that would be a company called . . . And I don't know how to pronounce it properly. I can spell it first. I-y-i-n-i-s-i-w, Iyiniw. And my question to the minister would be if he can maybe speak to who this company is. What's their genesis and what's their relationship to Paper Excellence? Are they a subsidiary or do they have a relationship, a business relationship with Paper

Excellence?

Hon. Mr. McMillan: — I'd like to start off just clarifying my last answer that I don't want to get craft pulp and dissolving pulp mixed up, that my understanding and in the meetings I've had with them, they have been fairly consistent that they want to move forward with developing the mill in a dissolving pulp mill. So I wasn't sure at the end of my comment whether I'd dropped in craft where I wanted dissolving or not but . . .

Mr. Wotherspoon: — You took my question away from question period tomorrow.

Hon. Mr. McMillan: — In regards to the company that the member opposite referenced, my understanding is that they are currently staffing. They've applied, advertised for several of the positions. They're looking to staff it up fairly dramatically over the summer. And that Paper Excellence has purchased mills in British Columbia, in Alberta, in Saskatchewan — as I mentioned earlier, we've got the two — and some even in Atlantic Canada. And they're looking for having a subsidiary and that is what my understanding of this company is. It's a subsidiary of Paper Excellence which specializes in the refurbishment of mills.

I think it's quite a good story for Saskatchewan that they've chosen P.A. to be the headquarters at this point. And from this site, this crew that they're putting together will refurbish the P.A. mill and then potentially will be utilized to work at their refurbishment of the other assets which they've purchased across Canada over the last several years. So I think it's quite a good news story for P.A. and for our province that we would be the headquarters of a highly skilled crew of this nature.

Mr. Wotherspoon: — And certainly the individuals that can fulfill that work and the companies that can fulfill those works certainly exist within that region as well right now. So I appreciate you putting on the record that this company is a subsidiary of the Indonesian company, Paper Excellence. There's certainly questions within the community.

Now has the minister had any discussions or has he had it brought to his attention, or through his ministry to anyone, a desire or interest to look to foreign temporary workers to fulfill some of the labour needs for the mill or within the subsidiary that we've discussed?

Hon. Mr. McMillan: — I would say in a general sense, many of the forestry, mining, oil and gas companies I meet with, one of the biggest challenges that they always put forward is that Saskatchewan has, as they recognize and we do, the lowest unemployment rate in the country. And that's a good thing on many fronts, but it creates a challenge obviously when projects are moving forward. And they I believe have raised with me that finding the right employees is something that is a big part of building out their capacity and a challenge that they have ahead of them as many projects are.

In regards to specific programs or specific immigration, those would be better questions for Minister Boyd, as he is the Minister Responsible for Immigration. We don't have the details in regards to those specifics.

Mr. Wotherspoon: — And what I'm hearing from the business community up there who now once fulfilled these contracts to the mill, who are now I guess will be potentially replaced by this new subsidiary of the Indonesian company, they feel they have a fairly strong labour force that can be engaged in this mill, both that have been engaged in the past but also trades and technical skills. And they're also very committed to building out that employment and new economic opportunities with many throughout the region that maybe haven't been in the past. And to just to relay that the business community is quite adamant that solutions lie within that region for employment and that the technical and skilled, trained workers are there and that it would be a great disappointment, an economic mistake, arguably, to overlook the region, overlook the workers in Saskatchewan to look for a very short solution possibly with foreign temporary workers in this important investment in the region. But you've said it's best to take it up with Minister Boyd and always pleased to do that.

Is the minister aware of a desire or a plan or a discussion around the mill, Paper Excellence looking at building out a residence structure, a place to house workers on site?

Hon. Mr. McMillan: — In regards to their detailed plan on how they want to move the project forward, those are internal company matters. And no I haven't been in discussion of that granular detail of the project they're looking to move forward.

Mr. Wotherspoon: — Okay. Just some of the discussion that, throughout the region, municipal leaders and business leaders are talking about and certainly may be highlighting some of their concern around that the region's workforce, the provincial workforce, the region's businesses may be overlooked by this Indonesian company and looking for what they're suggesting is a short-sighted approach to foreign temporary workers.

I understand there is an old building that they looked to possibly refurbish and to turn it into some sort of a camp. I understand that when they got down to the details of what that would be required by way of health and safety and everything else, that it was maybe cost-prohibitive. But there's a lot of questions up in that region. And it's an important mill. That activity's important to the region, and there's a lot of important employment that can be fulfilled through the region.

I'd be interested in shifting gears just a little bit to an issue that I don't know or have a great history on but something that some folks that have engaged me, an interesting file — and I know it goes back to decisions while the party I represent was in government, but it's more of a looking at where we are now and where we're going — and that's the potash restricted drilling areas around operations. And in essence, if I understand this, this is where in 1995 by concerns around water and the impacts of course on the mines, the integrity of those mines, there was lands that were laid out, 72 sections I believe certainly around the Rocanville area — I believe around other mine sites — that same 72 sections that mineral rights holders were prohibited from utilizing those mineral rights on sort of a no-drilling zone.

My question to the minister, now they . . . you know, that was done in response to some real concerns, I suspect, at the time as it relates to water into those mines, something that's still a consideration certainly of the industry. This question to the

minister: is this issue on your radar? Are you doing any review of this process, the fairness of those mineral rights holders that have those mineral rights, in essence, in limbo, certainly without any compensation?

[21:15]

Hon. Mr. McMillan: — In regards to the PRDA [potash restricted drilling area] issue, as the member opposite states, this goes back several years. And it's an issue around multiple . . . restricting the rights for oil drilling where there's a potash mine to ensure the integrity of the . . . flooding doesn't compromise safety or the investments that are currently sunk.

The splitting of those rights and issuing them separately, we have not done that since 1995. Since then if a potash property wants to move forward, they have to secure all rights, all oil and gas, to ensure that there will be no conflict.

As far as the situation that happened pre-1995, that is, as members will likely know, is a subject of a lawsuit currently that is being brought forward against the Government of Saskatchewan. That being said, our officials have met with the group that is affected by this as recently as a couple months ago. I know that the potash industry is interested in finding solutions to it. This group certainly would like to find solutions, and we would as well. So I think this is historic, but ideally I think all parties would like to find a solution.

Mr. Wotherspoon: — Listen, I appreciate the answers on this front. I understand that possibly the lawsuit may not be anymore. I might be wrong on that. I've had some expressions that that may not be continuing. But you know, regardless it's a circumstance that needs to be resolved. And I'm glad that the minister has referenced that the potash industry is interested in resolution of this as well because it does speak to the stability of that industry as well, and clear terms of engagement. And certainly I can understand the question around fairness for a mineral holder who has had their activity, you know, effectively in limbo with no ability to benefit from some of the rights that they've owned or purchased or had passed along to them.

So I'll leave it, I'll leave that there. Certainly the ministry will probably be doing some follow-up as it relates to the lawsuit and whether it still exists or not. Regardless of that, I'll take the minister's statement here at face value, that there's interest in resolving this matter and working with the sector, working with the mineral rights owners, the landowners. Of course making sure that all decisions are sound from a geological perspective, from an environmental perspective, sound from a perspective of protecting those mines but respectful and fair to all within the region, certainly that includes the landowners, the mineral rights owners. So we'll continue to track that file as we move forward. But thank you for that answer.

Maybe switch gears just a little bit here and take a look at, we've looked at some of the commercialization or the companies that your ministry has been involved with starting up, one of them being CVI [Climate Ventures Inc.] back a few years back. And I would just, I guess, look to the minister. There's certainly some confusion from your recent comments in the Assembly as it relates to, I believe, suggesting — maybe I've interpreted these wrong — but I believe the suggestion was

that your ministry didn't play a role in starting this company up, CVI. You know, of course, I can reference some of the orders in council or otherwise. We can get into that.

But maybe if the minister can just clarify, how he figures his ministry — that funded, provided dollars for this start-up — wasn't involved in the start-up of that company.

Hon. Mr. McMillan: — Mr. Chair, I appreciate the forum to have this discussion. It seems that in the Chamber in question period, with the minute time frame, the member asking the question sometimes asks three questions in a minute, and it's tough to explain one answer in the same time frame. So I think this is probably a better venue.

In regards to the order in council that the member speaks of, the university asked the Ministry of Energy and Resources at the time if they'd be willing to help fund a study. The university felt they were world experts in carbon sequestration, in the technologies around enhanced oil recovery in regards to utilizing carbon. And they felt that they had some very saleable research that they wanted to commercialize.

The order in council that we're speaking of was for, I believe, \$100,000. It was a grant to the university to enable them to do the research on how they could commercialize their carbon research. I believe that in that order in council, attached to it was the agreement that was entered into by the Ministry of Energy and Resources at the time and the university. In that contract, in that agreement between those two parties, it spelled out the expectations and the deliverables and who would benefit and what the work would be. And it really was a report for the university on how to commercialize their carbon research. Their work was done. The report was delivered to the university and our involvement ended at that point.

My understanding is . . . And on the other side is the university's interest in commercializing their research. That is something universities do, certainly around North America and more broadly. But our involvement was purely in enabling the university to do some work on how they could commercialize the technology that they had developed.

Mr. Wotherspoon: — Well the request, the order in council is pretty specific. And its for funding Climate Ventures, the company that's been in question and in discussion for the better part of a year. And certainly the government, I suspect, has known of the concerns and allegations for many years previous.

So I guess I'll just go back. Why did the minister suggest to the Assembly that Energy and Resources didn't play a role in funding this when it's clear, as you read through the whole application here, the whole agreement and as well as the order in council, that the dollars are from the Energy and Resources to initiate or start this company up? It's clear what government was trying to achieve with . . . Through the agreement it states what deliverables they were looking for. And I know through some of the follow-ups as well, the audits have all referenced that the Government of Saskatchewan funded the start up of this company. So I look to the minister as why he would have suggested that his government didn't play a role in starting this up.

Hon. Mr. McMillan: — I think that the step that, the piece of the puzzle the member needs to put together, is we funded the university to do a study on how they would commercialize their carbon research. The proposal they put forward was that they would call this commercialization vehicle Climate Ventures. The report was done. It was delivered to their business liaison officer at the time, and the university then was responsible for what they did.

The company that the member opposite speaks of of a similar name, Climate Ventures Incorporated, I believe it was an IT [information technology] company. It was a company that had software and I believe hardware that it contracted. It wasn't a commercialization of carbon research company to my knowledge. But our commitment to the university, our contract with the university was for \$100,000 to help them develop a plan how they would commercialize the research they had. And those are two very different things.

Mr. Wotherspoon: — Your ministry at the same day authorized the cabinet, authorized by way of order in council, \$50,000 to the university for . . . I'll just read it:

It's deemed desirable and in the public interest for the Ministry of Energy and Resources to enter into an agreement with the University of Regina under which the Government of Saskatchewan's liable to make expenditures in the amount of 50,000 for the purpose of funding the office of energy and environment from April 1st, 2007 to March 31st, 2008.

My question would be, how does this OC [order in council], which is on the same day as the other OC which is numbered 119/2008, which clearly funds Climate Ventures, how do the two, how do the two connect? Or what's their relationship?

Hon. Mr. McMillan: — Could the member restate the dates that he referenced just a moment ago?

Mr. Wotherspoon: — Yes. The order in council authorized in cabinet was for March 6th, 2008. And that's order in council 117/2008. And then the other one is the same day, and it's order in council 119/2008.

[21:30]

Hon. Mr. McMillan: — And the \$50,000 order in council was to fund the office of what? And from what dates?

Mr. Wotherspoon: — It states a period which is interesting in itself, is that it funds from April 1st, 2007 to March 31st, 2008. Now obviously this is past the date of April 1st, 2007.

Hon. Mr. McMillan: — The order in council that the member speaks of is from a date that was obviously before our government was elected in the November 7th, 2007 election. As the member will know that often commitments are made by governments, likely at that point, well obviously at that point, a commitment was made by the NDP [New Democratic Party] government in early 2007, possibly in the budget of 2006-2007, and that the government that was elected then fulfilled the commitment made by the NDP government of the time. So if the member has a specific question as to the commitment, we

could get back to him as to what the then government committed to at that time that was being fulfilled. We obviously don't have that information with us tonight.

Mr. Wotherspoon: — Yes, what I'm interested in is of course . . . The one order in council for the \$100,000 from your government on March 6, 2008 is very clear spelling out that it's funding Climate Ventures, the creation of Climate Ventures. This take-to-market entity that it describes, the one that's been in question for some time. The other order in council just is simply on the same day — interested in that range of dates and what it was for and if there's any relationship to this other order in council as well.

So I'd appreciate the information that could be received on the order in council that I referenced around the \$50,000, but as it relates to the creation of CVI through order in council. I guess my question to the minister is of course to . . . I would suspect to fulfill requirements of this order in council there would be a report that would be sent back to the provincial government. That report, has the minister reviewed that report?

Hon. Mr. McMillan: — I guess to the preamble to the member's question on is there a coincidence between the fulfilling of an obvious commitment from the former government — the NDP government from the 2006-2007 time frame — that that OC went through on the same day as the OC in regards to enabling the university to do the study on how they would commercialize their carbon research, we can endeavour to find out what the original commitment was, what the reporting requirements of that initial agreement was that was fulfilled on that date.

In regards to the study that the university completed on how they would commercialize their carbon research, there was a report as to how they could go about commercializing their research. As I said in my previous answer, it was I believe stated in the order in council and the agreement that that would be the property of the liaison — the corporate liaison officer of the university. I believe we did get a copy of that report prepared for the liaison officer and I think that we were satisfied that it spelled out the possible commercialization avenues that the university would have.

Mr. Wotherspoon: — But as far as the report to fulfill the . . .

The Acting Chair (Mr. Hutchinson): — I'm going to intervene here for just a moment, members. Certainly the primary purpose of the estimates meetings in my understanding is to concentrate on elements of this particular fiscal year's budget, and while it's traditional to allow a considerable amount of latitude, it seems to me that we're spending a lot of time talking about budgets previous, and no connection at all has been made between those budgets and what's actually in the current budget. So I'd ask that a direct connection be made between the historical material that we're now considering at great length and the current budget, or move on to questions pertaining more particularly to the current budget.

Mr. Wotherspoon: — So I guess where it connects is that there's been this flow of dollars, and it wasn't just in the 2008 year. This is simply where this government initiated the start-up of CVI with the funding of using taxpayers' dollars, and we

have the order in council. So the question was around the reporting back to government. Why it's important is, of course, that that entity then has gone on to be alleged of some significant matters — significant conflicts of interests, allegations of waste of public money, and relationships with other companies as well that are contracting with government, continuing to this fiscal year.

So just trying to lay an understanding of the, I guess the genesis of the start-up of this company that this government started up, and just trying to follow it through to the current contracts that it and some of the companies that it has I believe a relationship with, a business relationship with, that are now still doing business with this ministry and I believe the PTRC [Petroleum Technology Research Centre]. And certainly it involves individuals that are involved in this minister's portfolio to this day.

The Acting Chair (Mr. Hutchinson): — If I understand the mandate correctly, we would need to show a direct connection between historical matters and elements of this particular budget. Do the investments that were made earlier have a direct connection with specific dollar amounts contained in this year's budget from the ministry?

Mr. Wotherspoon: — I would ask the question then, as it relates to Climate Ventures, the initial start-up of this government and partnership with others and the individuals who have been identified with conflicts of interest that were on Climate Ventures, what related companies can the minister identify that either have contracted or continue to contract with government proper, his ministry, or agencies under his purview such as the PTRC or the ITC [International Test Centre for CO₂ Capture] or certainly IPAC [International Performance Assessment Centre for geologic storage of CO₂] is the one's that's been of large discussion.

And one example would be a company called ClimBIT, I think is how you pronounce it, and I believe there's a direct relationship, similar individuals involved, one individual I know that's alleged of a significant conflict of interest who's continued to receive dollars from this government and as well from the PTRC, where there's actually newer order in councils that have been extended.

So my question would be, as it relates to these companies in question and as it relates to the individuals that have had conflicts of interest raised with their involvement, I guess if the minister could just clarify, what companies are receiving dollars, what conflicts of interest he's identifying throughout his ministry? Maybe it's a contract with ClimBIT that he could clarify or with various agencies or ministries or with the PTRC, or maybe it's individuals that have been identified with conflicts of interest.

Hon. Mr. McMillan: — I would say a bit in regards to the relationship of relevance of the company that the member opposite questions to this year's budget or to any year's budget. I would say there is none. We've funded the university on commercialization of research. He's talking about an IT company. The two are not related and there would be no relation to that year's budget nor the current year's budget.

In regards to any contract with individuals, if the member would name ClimBIT, I will check if ClimBIT is currently contracted by any of the . . . of our ministry. If he has any other names in particular, we'd be pleased to do that work as well.

Mr. Wotherspoon: — Well maybe specifically some of the individuals that were identified through the Meyers Norris Penny audit and investigation. Does he have concerns as it relates to some of those incorporators and proprietors and current . . . I would suspect that when you have, in the end . . . We know it's been raised that millions have been wasted. I would hope that government would be doing a full review of its partners and related companies and individuals with conflicts of interest.

So looking for some statements and, you know, on the current year as it relates to the minister's actions on this front and reviews that he might be doing into years past but also dollars that might be flowing this year. And as far as the government not, you know, I still . . . The minister I think is maybe trying to be too cute by a half on this one, where it's pretty clear . . .

The Acting Chair (Mr. Hutchinson): — The member will use appropriate language and refrain from remarks of that kind. I expect it to change immediately.

Mr. Wotherspoon: — The minister . . . Actually I wasn't trying to be certainly unparliamentary with my language at all. So the minister seems to not be . . . is trying to redirect or deflect where some responsibility lies. And there is a direct investment into CVI, and certainly by all the audits that have been done by the various organizations and audit companies like Meyers Norris Penny have identified clearly that this was a company that was started with monies of the taxpayers and through the provincial government, through this order in council.

So I think we can move on from that debate and now move on to, I guess, more current considerations as to what contracts might be at play, what dollars are flowing to individuals that have been identified with potential conflicts of interest and what sort of review this minister is leading.

Hon. Mr. McMillan: — In regards to the ClimBIT company that the member requested information on, we know of . . . the contract is not through my ministry but through ITO [Information Technology Office]. But it is engaged on the PRIME project, which is an Energy and Resources project redeveloping our processes and software around the Energy and Resources computer systems.

So through ITO, one person from ClimBIT was employed. The call-out, a competitive process through ITO, was engaged in. The call-out went out in December of 2009. The work commenced March 2011, and it's one person. It's ongoing at this point, and as I said earlier, it was a competitive process at that time. If the member has any questions of individuals or companies that we could provide information on, we'd be pleased to.

Mr. Wotherspoon: — It says one individual. Could the minister name that individual?

Hon. Mr. McMillan: — He is a SharePoint administrator. As opposed to naming a citizen publicly, I could provide the name to the member. If he would still request me to name him publicly, I think that I would be willing to, but out of respect for people working for the Government of Saskatchewan, I'd be pleased to provide that name privately at this time.

[21:45]

Mr. Wotherspoon: — Sure. I'd appreciate that name and then any — and you don't need to put it onto the record right now as well — any individuals that have been employed during that time, throughout this contract through till now with ClimBIT. So anyone else that's been employed by ClimBIT. And respecting that I'll receive that, we're not placing it onto the record here right now, but not being bound by any confidentiality into the future.

So I have one name here. Is there any other individuals that have worked in ClimBIT in the fulfillment of this contract?

Hon. Mr. McMillan: — There is one other that at the commencement of the contract, again a name that I don't think the member would recognize, but I would provide him with that one as well. The contract has been ongoing with one position. The name I just provided him is the current. I can also provide you with the initial one as well.

Mr. Wotherspoon: — That's appreciated. I'd also appreciate if the minister can provide — and he may not be able to do it just here and now — but a copy of the contract entered into with ClimBIT at that point.

The Acting Chair (Mr. Hutchinson): — Before the minister continues, I have a question that I would like to get answered from either by himself or his officials. Are there any dollars in this year's budget for the ministry that we are considering this evening that relate directly to any of the companies or individuals that have been named so far?

Hon. Mr. McMillan: — The PRIME project which we're currently in discussion with is a current project. The contract that we're currently discussing is ongoing, so this one does fall within this year's budget.

In regards to the contract under discussion here on the PRIME project, as I stated earlier, it's a contract with the ITO and ClimBIT that they did through a competitive process. ITO then bills our ministry for that work and that's how the relationship is. So there's no direct, there is no contract between Ministry of Energy and Resources and the company in question. We can request of ITO whether they'd be willing to release that contract and, if so, we'd be pleased to provide it. The member may also wish to ask that question of that ministry as well but we will endeavour to do that work.

The member also asked if there were any contracts with ClimBIT in regards to other agencies in which we fund. The member will know that we are a funder of the PTRC. We're not their major funder; we're one of many funders. They're largely an industry-driven board, but we have one seat on that board. And my understanding is that they published a contract on their website about a month ago, possibly a little over a month ago,

of a contract that they in fact had with ClimBIT. Again, we're a funder of the PTRC, but we are of the understanding that they made a contract public of this nature.

Mr. Wotherspoon: — No, and I've raised it because it's . . . certainly begs to question. Now could the minister state the current incorporators of ClimBIT or past directors of ClimBIT? One of the individuals with an alleged conflict of interest through the audits has been a gentlemen, Mr. Henry Jaffe. Is he still a proprietor of ClimBIT?

Hon. Mr. McMillan: — Mr. Chair, we don't know with certainty who the directors of this company is, or many companies specific to this company. We don't have a contract with them. We have one of their contractors on site through the ITO, but I would expect that you, through the corporate registry, anyone could find the proprietors of a company that's incorporated. But that's not the type of information that we would have for this or any company of this nature.

Mr. Wotherspoon: — The concern being that this Mr. Henry Jaffe has been highlighted through a lot of reports to government and to IPAC board, the board of directors, with a concern around conflicts of interest, but also the entities that he's been involved with have had allegations of unethical behaviour — this Climate Ventures, of course, that was started by your government — also, you know, fairly straightforward allegations of a waste of significant dollars, of taxpayers' dollars.

So I guess I look to the minister. What have you done to, I guess, review your comfort with your government continuing to extend dollars to operations that an individual that has had so many identified concerns raised? Why do you continue to flow dollars in the direction of his companies?

Hon. Mr. McMillan: — The contract that's currently in discussion, as we've stated earlier, we have a contractor on our site from ClimBIT. We have a major project redevelopment of the PRIME project moving forward. It's a multi-year redevelopment of our software and business processes around energy and resources, around oil and gas.

Through this project we utilize many consultants, many people with very technical skills. The ITO is the arm of our government that has expertise in this regard. They have a very prescribed procurement policy. It is a very competitive policy and very transparent, as it should be. And I believe that they put out a competitive bid process that's very transparent, and they reward the proponent of that bid that best meets the requirement and is most competitive. And I think the people of Saskatchewan expect any contract to have a very transparent and competitive process. And the one contract we have that has flowed through the ITO, I understand, went through this process.

Mr. Wotherspoon: — But reports to your government have, dating back many years have stated significant concerns as it relates to allegations of conflicts of interest and waste of taxpayers' money and this individual. In fact it's raised concerns basically with being involved with any entity that that individual that's been named is related to.

My question is, why your government has either continues to fund those dollars, with direct reports and concerns that have been raised directly to your government, or what review have you done of this individual that is still at the centre of the CVI questions and the alleged waste of millions of dollars?

Hon. Mr. McMillan: — If the report that the member is asserting that our government has received, if he's speaking of the Meyers Norris Penny report that was commissioned by IPAC-CO2, I believe that was commissioned in 2011. It was a report to their board that we had members on. We didn't have the majority of members, but it was not a government report. And my understanding was that the board didn't release that report publicly, and it never did get released until just months ago.

So in 2011, I believe, that report was delivered to their board, the IPAC-CO2. The call, the public process that was entered into by ITO, was 2009. So those two times, the process that the ITO went through was 2009. This report the member is asserting is a government report, which it wasn't, was 2011. I would ask him, would he clarify? Is there another report in which he is referencing?

Mr. Wotherspoon: — There'd be two reports. And of course the minister would know that government has three members of the board of IPAC right from the get-go, and so this went to those members. Now the responsibility of those members is to represent government and the public in their roles. So certainly when allegations of this kind are raised, it would be my full expectation that ministers and government would be briefed, fully aware of the issue, and responsive to the issue. We haven't seen that at all from your government.

The reports that I would identify would certainly be the Meyers Norris Penny report which has been accessible by your government for, as you say, many years, something that's really only been brought out through leaks and investigation that's been in place, but also a report that was brought forward to the board of IPAC. It's a document. We've talked about it. I've tabled it in the Assembly for you and the other ministers involved in this venture, and I'm sure he's . . . Have you reviewed, Mr. Minister, the report dated March 28th, 2011, that I tabled in the Assembly?

Hon. Mr. McMillan: — I would remind the member that the public process for the contractor was taken place in 2009. So I'm asking, is there a report that predates that to his previous question? In regards to this report that was tabled, yes I've reviewed the reports tabled in the Assembly.

Mr. Wotherspoon: — I'm glad you've reviewed them. Were you alarmed and concerned when you read the report that had gone to your government officials a couple of years ago?

The Acting Chair (Mr. Hutchinson): — I'm going to intervene here. We don't have a lot of time left, and we've strayed considerably from the mandate of considering this particular fiscal year's budget. I would consider any further questions along that particular line to be out of order, and I ask that the member change his lines of inquiry to be more specifically addressing this year's budget.

Mr. Wotherspoon: — Well the contracted dollars continue to flow, so it's a valid question. Back to . . .

The Acting Chair (Mr. Hutchinson): — I will consider questions in order that relate specifically to the amounts of the budget and their purposes.

Mr. Wotherspoon: — So the minister's reviewed the individuals that have been alleged to have conflicts of interest specifically from the Meyers Norris Penny report and . . .

[22:00]

The Acting Chair (Mr. Hutchinson): — That doesn't relate to the specifics of this budget, and I've declared, I've declared it out of order.

Mr. Wotherspoon: — Could I ask the question, Mr. Chair, so you can make that assessment after that? Can I ask the question, and then you could assess whether or not it has its place?

The Acting Chair (Mr. Hutchinson): — Certainly.

Mr. Wotherspoon: — So the minister has assessed the . . . read the report. I'm aware that he would know the individuals with conflicts of interest that have been identified clearly by independent investigations or by investigations. Is he concerned that one of those individuals continues to occupy a lead role at the PTRC, which is under his purview and out of this fiscal year?

Hon. Mr. McMillan: — As the members will know, the PTRC is an agency which has been funded by the Government of Saskatchewan since I believe 1998. It's a non-profit agency that was established as a partnership between the university, the SRC [Saskatchewan Research Council], and the Government of Saskatchewan, and I believe the federal government. The federal government has been the largest funder of the PTRC for many years. The Government of Saskatchewan has also been a funder. It is an industry-driven organization doing research into enhanced oil recovery with a substantial amount of expertise and knowledge around carbon sequestration, enhanced oil recovery at the Midale oil field. So with that context, we have funded the PTRC.

In this year's budget, we have allocated funding towards them again, to them again. We do have, as we do with all agencies in which we fund, whether they are direct government agencies or not, we have a very high expectation of fiscal responsibility, the type of fiscal responsibility that we think is acceptable for spending GRF money on. And we need to ensure that all our agencies that we fund also has that level of scrutiny that we think is appropriate.

Mr. Wotherspoon: — My question is . . .

The Acting Chair (Mr. Hutchinson): — The three hours that we have allocated for this part of the discussion have now elapsed, so I don't think we're able to entertain any further questions and we need to proceed with business.

Mr. Wotherspoon: — Unless the minister fields the question. Unless it's the will of the committee to go on with a few more

questions.

The Acting Chair (Mr. Hutchinson): — The agreement as I understand it was three hours.

Mr. Wotherspoon: — You have flexibility that a committee has. We certainly have that flexibility I mean unless members don't care to have a few minutes of questions. I've chatted with the critic and she's certainly comfortable with a few extra questions.

Hon. Mr. McMillan: — I'd be pleased to answer this question for the committee member.

The Acting Chair (Mr. Hutchinson): — Certainly.

Hon. Mr. McMillan: — I guess in this year's budget we are again, have allocated funding for the PTRC. We have seen the work they've done over the last several years. We need to ensure that they have appropriate financial oversight and controls in place. I understand that the Virtus group is the auditor of record for the PTRC, that PTRC has, on a regular basis, asks their auditor: are their financial oversights appropriate for an organization of their type and their size? The Virtus group has reported back that in fact they are consistent with other organizations of their type and of their size, that the spending oversight and requirements are appropriate for the type of work that they do.

As I said, they're a non-profit. And they continue to do research here in Saskatchewan. As a government we need to ensure that any organization that we fund, non-profit or not, has the appropriate financial controls in place, and that will not be changing.

With that I'd like to thank the committee members for their time tonight, for their questions and their considerations of the estimates. So thank you very much.

Mr. Wotherspoon: — Thank you. Thank you to the minister for taking time with us. Wouldn't have minded a little bit more time, but respectful of the fact that the Water Security Agency behind us as well lined up for questions. Thank you to officials for being here and endeavouring to provide answers here tonight and providing the information that has been committed to here tonight. So thank you to all the civil servants and the officials across the ministries and agencies that are involved, and thanks for the time.

The Acting Chair (Mr. Hutchinson): — It's time now to consider the votes. We will proceed first of all with vote 23, Economy. And we're looking at first of all central management and services, subvote (EC01) in the amount of \$36,471,000. Is that agreed by committee members?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — That's carried. Second, mineral land resource policy, subvote (EC06) in the amount of \$12,157,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Next petroleum and natural gas, subvote (EC05) in the amount of \$10,267,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Revenue and planning, subvote (EC04) in the amount of \$23,992,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Economic development, subvote (EC12) in the amount of \$13,759,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — That's carried. Tourism Saskatchewan, subvote (EC14) in the amount \$15,172,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried. Next is the labour market development, subvote (EC13) in the amount of \$168,452,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Enterprise Saskatchewan, subvote (EC19) in the amount of zero dollars. We're doing this just for information purposes only, and there is no vote required. We simply need to read it into the record. Same for the amortization of capital assets in the amount \$3,013,000. This again is for information purposes only. A vote is not required.

And Economy, vote 23, the total is \$280,270,000. I now need to ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2014, the following sums for the Economy in the amount of \$280,270,000.

Ms. Jurgens is in agreement. Yes. Pass the resolution. Is it carried?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Indeed it is.

**General Revenue Fund
Lending and Investing Activities
Economy
Vote 174**

The Acting Chair (Mr. Hutchinson): — Okay, we have just a couple of more before we get to that point. Vote 174, Economy, lending and investing activities, loans under *The Economic and Co-operative Development Act*, subvote (EC01) in the amount of \$4,825,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried. Loans under *The Economic and Co-operative Development Act, The Northern Economic Development Regulations*, subvote (EC02) in the amount of zero dollars, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's a bargain. Loans under *The Economic and Co-operative Development Act*, subvote (EC03) in the amount of zero dollars, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Pretty easy. Carried.

And finally, Economy, vote 174 in the amount of \$4,825,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2014, the following sums for Economy in the amount of \$4,825,000.

Mr. Bradshaw.

Mr. Bradshaw: — I so move.

The Acting Chair (Mr. Hutchinson): — And I'll call for the resolution. Is that carried?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Indeed it is. Yes. I recognize the minister for closing comments.

Hon. Mr. McMillan: — Thank you very much. I'd like to, before I make a closing comment, I committed to the member from Athabasca a little bit of information that we were able to find for him. We will still endeavour to get the maps that he had requested to the committee. But in regards to taking out a mineral claim, the fee for claims is 60 cents a hectare with a minimum of \$300 charged for that fee. Then once you have a claim, you have annual expenditures to hold any particular claim. In year 1, your expenditure can be zero. But for years 2 onwards, it's \$15 per hectare of work of drilling or of development work to keep that claim active. And that I think is the information that the member had asked for. If the member wants any further follow-up, he certainly can follow it up with myself.

With that, just thank you for the committee's time tonight, and thank you for my officials and the prepared nature in which they came to these estimates. So thank you very much.

The Acting Chair (Mr. Hutchinson): — Just before we proceed to the next part of the evening's agenda, I'd like to have a very brief break to allow members to get to the washroom. Let's reconvene as close as we can to 10:15, please.

[The committee recessed for a period of time.]

[22:15]

**General Revenue Fund
Water Security Agency
Vote 87**

Subvote (WS01)

The Acting Chair (Mr. Hutchinson): — Thank you, folks. We are now officially reconvened, and we're going to resume or consider the estimates for the Water Security Agency. This by way of information is vote no. 87, subvote (WS01). I'd like to welcome the minister and his officials. And, sir, you may want to introduce them.

Hon. Mr. Cheveldayoff: — Thank you very much, Mr. Chair. Good evening to committee members. I appreciate having the opportunity to have you consider the estimates of the Water Security Agency.

I'm joined this evening by Wayne Dybvig, the president of the Water Security Agency, to my right. Bob Carles is to my left. He's the vice-president, corporate services. Susan Ross is here, vice-president of legal and regulatory affairs, in the second row. Sam Ferris, beside her, is the executive director, water and waste water management; Dale Hjertaas, executive director, policy and communications — all with the Water Security Agency. Also my chief of staff, Jason Wall, and ministerial assistant Jacquie Klebeck are here as well.

Saskatchewan's plan for growth includes securing our water's future as an instrumental piece to ensuring our province's continued growth as well as providing a good quality of life for Saskatchewan people. To secure our water future, we committed to several actions: (1) the creation of the Water Security Agency, (2) implementing the 25-year Saskatchewan water security plan, (3) implementing the 10-year water management infrastructure rehabilitation plan. These actions will play a significant role in supporting our plan for growth.

The Water Security Agency was created in October 2012 to support the Saskatchewan plan for growth and lead implementation of the 25-year water security plan. This new agency improves the water management capacity and service to individuals, businesses, and communities across Saskatchewan. The Water Security Agency is an essential part of growing our province while providing water security for Saskatchewan now and in the future, which will support the plan for growth.

For the first time ever, this new agency brings together all of the major responsibilities related to water quality and quantity. The Water Security Agency brings all aspects of water management together to provide a one-window approach to serve the citizens of Saskatchewan.

The Water Security Agency is leading and implementing the 25-year Saskatchewan water security plan, which creates a vision for the future of water in our province. The plan will support municipalities, individuals, and businesses as Saskatchewan continues to grow. During consultations on development of the 25-year plan, stakeholders expressed very strong support for the creation of the 25-year water security plan and the single water agency. There was a strong sense that water is very important and needs increased attention from government. Since the announcement of the Water Security

Agency and the 25-year plan, I've had the chance to communicate with a variety of groups, and they have expressed their support for the increased emphasis we are placing on water with the Water Security Agency and the water security plan.

This is the Water Security Agency's first budget and the first time as a separate entity to meet with the committee for consideration of estimates. Therefore I will take a moment to describe the agency. The Water Security Agency was created by bringing together the Saskatchewan Watershed Authority and water-related employees and programs from the ministries of Environment, Health, and Agriculture. The Water Security Agency is responsible for management of water quality, safe drinking water, protection of water quality, reducing impact of floods and droughts, public policy water management infrastructure, and information on water supplies.

The Water Security Agency has a number of revenues. The grant we are considering today from the General Revenue Fund provides 41 per cent of total revenues. Water-related charges provide 52 per cent of the revenue. The budget of the Water Security Agency includes a budget for programs transferred from the Ministry of Agriculture, Health, and the Ministry of Environment.

With this budget, the Water Security Agency will be continuing with the 10-year infrastructure rehabilitation plan with an \$11.9 million investment in infrastructure rehabilitation. This work includes upgrades to the M1 canal, work to restore capacity to the upper Qu'Appelle conveyance channel, and work at the Gardiner dam. The Water Security Agency will continue to support watershed planning and implementation, and its budget includes \$925,000 to support implementation of 11 source water protection plans.

As we deal with flooding, the importance of keeping channels clear and ready to handle runoff is clear. That is why the budget provides an additional \$500,000 for grants to local governments under the water control program. This increases the total budget to support channel clearing and maintenance of flood control to some \$1.46 million.

As you know, we have had a lot of snow last winter and are in the midst of a very late runoff. The importance of the work the Water Security Agency does, and of its network of metering stations, is highlighted in a year like this. The Water Security Agency staff are working long hours to ensure communities are warned of possible flooding and to provide assistance to them to prepare for that flooding.

Thanks to the forecasts of high flows, reservoirs were drawn down to create storage, and communities have prepared. The emergency flood damage reduction program has more than 350 clients, and that number is still growing. Communities, individuals, and First Nations are receiving technical and financial assistance to help them prepare for possible flooding and reduce flood damage. Thanks to the forecasts, many communities have prepared in advance and are ready for what the high waters will bring.

Mr. Chairman, I acknowledge the importance of the work the Water Security Agency does. Its hydrologists, its hydrometric technicians, engineers, communications, and regional staff are

doing an excellent job in this extended runoff period, and I would like to at this time sincerely thank them for their dedication and commitment to the people of our province.

Now, Mr. Chairman, I would welcome comments and questions from yourself or any member of the committee. Thank you.

The Acting Chair (Mr. Hutchinson): — Ms. Sproule, please.

Ms. Sproule: — Thank you very much, Mr. Chair. And thank you, Mr. Minister, and certainly thanks to the officials for also putting in long hours today for the purposes of this committee.

I'll just start with some questions. I have a document that's I believe your financial summary statement for the plan for 2013-14. It has a breakdown of the estimates that were provided to the committee and to the government in this year's budget. And I just wanted to first talk about your staff complement of 220.6. My first question is, how many of these staff are in the regional services portion of your agency?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. Regional services has a staff of about 60 people across five offices.

Ms. Sproule: — And has that number increased at all from last year when it was the Saskatchewan watershed association?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. The number of people technically involved in regional services is relatively the same at 60, but what we do have through the reorganization is now 17 environmental protection officers that are also located in the regional offices. So a total complement of regional staff is about 77.

Ms. Sproule: — Thank you, Mr. Minister. One of the areas I'd like to explore a little bit in the short time we have together tonight is about the work that the watershed is doing with farmers and stakeholders in rural areas regarding drainage, and in particular illegal drainage. You know, this is an issue of concern for many in the province, and certainly we posed questions last year about the enforcement of the law when it comes to illegal drainage. So my question is, how many complaints were filed with the regional offices last year in relation to illegal drainage?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And the member is correct that illegal drainage is certainly an area of great concern for the Water Security Agency. And it's an area where we talk to stakeholders. We talk to municipalities. We talk to SARM, the Saskatchewan Association of Rural Municipalities, and many share that concern. We have grouped together the complaints that have come in over 2011-2012 because most of it relates to the same, to the water challenges that we had in 2011. And so over the two years, we've had 364 complaints, and 331 have been dealt with or resolved, so approximately 33 are outstanding.

What was established in 2012 to mitigate the workload associated with this and the spike in the number of complaints was the task force that was established. The drainage complaint task force was established to address the workload, and staff were redeployed from the western part of the province to the

Yorkton and Nipawin offices to assist with the complaint workload. So that's how they were able to get so many of the complaints dealt with in such a timely manner.

Ms. Sproule: — Under *The Saskatchewan Watershed Authority Act*, which name is soon to change, there are procedures for orders for works to be closed that are illegal. Were there any orders issued last year, or did the authority shut down or close any works last year?

[22:30]

Hon. Mr. Cheveldayoff: — Thank you very much for the question. Of the 364 complaints, the vast majority are the type that are able to be resolved between the parties with some assistance from the Water Security Agency as a type of a mediator role, if you like. Twelve were not able to be settled that way. And most of those were orders, where orders were undertaken for facilities to be closed.

Ms. Sproule: — I know, Mr. Minister, since I became involved in this area as a critic, I have had numerous calls from farmers from across the province with sincere concerns about this problem. And part of the issue is the enforcement procedures in the legislation itself, which are very difficult for individuals to enact. Because the farmer, before they can turn to government for assistance, basically has to do a number of things himself or herself before they're even allowed to approach the watershed . . . I don't know what to refer to you anymore. You're in transition, but I'll say Watershed Authority for now. And one of the things that was mentioned on page 29 of your 25-year plan, under action area 5.2, which is on this topic, indicates that . . . It says in the second paragraph that:

. . . inappropriate and unorganized drainage can affect neighbouring landowners and receiving water bodies. There is a lack of understanding and appreciation of the impacts of drainage and the benefits that accrue to the farmer who drains.

Now just on that point, the calls I'm getting, they're saying that the people who are doing this illegal drainage are fully aware of the impacts, but basically the message to their neighbours: too bad. And certainly that's inappropriate. The next sentence though, I have a question for you. "There are calls for government to respond to unauthorized drainage with increased enforcement." That's in your plan. Has that happened this year? Have you increased your enforcement of these illegal actions?

Hon. Mr. Cheveldayoff: — Thanks very much. As indicated in the water security plan, this is indeed a priority for us and something that we're taking very serious. And we are contemplating legislation or beginning to work on legislation in this regard. Right now we have very few tools at our disposal. You know, we can investigate and order closure, but beyond that we don't have a lot of tools. And what we're looking at through legislation or the creation of legislation is the feasibility of administrative fines. We're looking at what other provinces are doing, especially Manitoba. I've had discussions with the minister in Manitoba, Minister Mackintosh, about some of the work that they're doing, and certainly they face some of the same challenges that we do.

But I should let the member know that, as minister, I get the majority are very much concerned and against drainage and illegal drainage. But I do get some people lobbying for the government to continue allowing what is happening or, you know, trying to explain the benefits of drainage that might not be certified or totally legal. So you do have some people out there that are trying to make that argument in that case.

And certainly, you know, on the floor of the SARM convention following the debate that took place there, there are people on both sides of it. But from a government perspective, we certainly feel that there has to be increased legislation to discourage illegal drainage, and there has to be teeth behind it that allows the Water Security Agency in this case to look at a variety of options to ensure that it doesn't continue to happen. It is something that we are looking at. We are looking at best practices, and there will be legislation forthcoming at some point in time.

Ms. Sproule: — I was listening with interest to your comment about those who are advocating breaking the law, and I'm glad to hear that the authority or the agency will not contemplate that. And certainly I think last year the minister, previous minister chose to write a letter asking people, please don't drain. But I think for those who choose to do it deliberately, this sort of letter would not have any kind of impact on people who are choosing to break the law, and that certainly more teeth and a more forceful approach from the government is necessary to stop people from really causing havoc to their neighbours downstream.

And I'm glad to hear that your agency is contemplating putting forward legislation for the Assembly to consider and look forward to seeing that in the near future because this is something I think that has a significant backload as well. And every year that goes by, it just gets worse. So I'm pleased to hear that the ministry and the agency are contemplating stronger legislation to enforce this problem.

Okay, that's just a comment. A few other things . . . Boy we're going to run out of time here. You indicated that the draw from the appropriation is around 15.5 million, and that's 41 per cent of the revenues. I note that the agency is also receiving almost \$1 million from the Fish and Wildlife Development Fund. What are those funds used for specifically, or do they just go into the general pot?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And I'll just touch on the previous comments by the member. We had found that the letters regarding illegal drainage were helpful. They brought the issue to the attention of everyone, those involved in the illegal drainage and neighbours as well. So I think it gave those that were certainly against illegal drainage a feeling that the Water Security Agency and the government . . . It was a clear enunciation of where the government stands on things. And so we found those letters to be beneficial as we work towards strengthened legislation.

The immediate question, the Fish and Wildlife Development Fund, it funds staff and project stewardship together. And those funds we find, though, are used to leverage other dollars as well, whether it be the federal government or the private sector, and the joint programs are undertaken. One example would be

the North American waterfall management plan, which is money from the FWDF [Fish and Wildlife Development Fund] funds of the Water Security Agency, and that leverages federal dollars to enhance the resources that we can put towards plans like this.

Ms. Sproule: — Those funds that are appropriated from the wildlife development fund, Fish and Wildlife Development Fund, is that something that the agency itself decides or is that basically taken from the fund by the ministry without . . . Like does the fund approve it or is that just taken by the ministry?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. Funds are taken by the Water Security Agency with the understanding that they will be used to directly further the goals of the Fish and Wildlife Development Fund. And certainly the example that I gave earlier, the North American waterfowl management plan, it takes approximately \$500,000 of the 800,000 in total. So it's a very large project that is very well received by the Fish and Wildlife Development Fund.

Ms. Sproule: — Would the ministry . . . would it not be more appropriate for the ministry just to rearrange the allocation to the fund so that this \$500,000 never goes to the fund directly and it's just used for the ministry's purposes? As I understand the fund, members are not able to direct this money, so it really isn't appropriate for it to be part of the fund.

[22:45]

Hon. Mr. Cheveldayoff: — Thanks very much. We had to draw in some corporate history here. The way it was set up this way was back in 2002 by previous ministers and previous government, and it was defined specifically that the money would flow this way. And I guess it's certainly fair to say that, as I mentioned earlier, the North American waterfowl management plan has taken the bulk of the money and has received numerous accommodations as, you know, some would say it's one of the most successful management plans in North America. And that's not any exaggeration whatsoever. So that is working well.

But I do have to say, I've had some discussions with the Fish and Wildlife Development Fund members about, you know, if it can be done a different way, if we'd be open to looking at it being done — as far as the funding goes — in a different way. And I've left that open. I said if, you know, at a future meeting, that we could talk about different ways of delivering it, I'd certainly be open to that. But for the time being now, we're staying true to the spirit of that 2002 or prior to 2002 agreement that was put in place.

Ms. Sproule: — Thank you, Mr. Minister. Just moving on in your financial summary, I note that there's almost \$1 million of interest in your budget as an expenditure. What is that interest in relation to? Are there loans or is that debt that you're servicing?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And the member is correct in her observation on the interest that is accrued is a payment to service debt that the Water Security Agency does have. We borrow money on an annual basis for capital needs, and the GRF pays back . . . the

General Revenue Fund pays an amount equal to the interest that would be paid by the Water Security Agency. And this is usually amortized over a 10-year period.

Ms. Sproule: — Thank you. Could you give me just a very high level indication of the types of capital projects this debt is servicing?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And indeed a large portion of those funds are primarily for the rehabilitation of our network of 45 dams across the province and, you know, just to give the member an example, the Alameda dam in the 2013-14 capital plan calls for some \$271,000 of expenditures, and everything from engineering studies of spillways and upgrades that are needed to make sure that our dams are in good repair. And again this is one of the goals of the 25-year water security plan as well is to take a 10-year intensive look at all of our dams and to ensure that they are in good repair.

Ms. Sproule: — Thank you. On page 11 of your 25-year plan under the action area 1.5, climate change adaptation, there's a mention made there of the Prairie Adaptation Research Collaborative as a partnership with various Western provinces. Does the agency provide any funds or grants to that collaborative?

Hon. Mr. Cheveldayoff: — Thanks very much. And as the member has pointed out, the Prairie Adaptation Research Collaborative is a partnership between the governments of Canada, Alberta, Saskatchewan, and Manitoba, and we enter into agreements with the federal governments through NRCan [Natural Resources Canada]. We have partnerships with Alberta and Manitoba. We don't really provide funds. We do provide in-kind support and are sometimes the administrative body that looks after the agreements with NRCan. But we find that these collaboratives work very well. They bring partners together from across the Prairie region and they're a good link to the federal government as well, so it's something we're very supportive of.

Ms. Sproule: — Thank you. That leads to my next question in terms of research partnerships, and that's in action area 6.3 on page 34 of your plan. In there you indicate that the agency is also supporting the work of the Global Institute for Water Security at the University of Saskatchewan, particularly in relation to the South Saskatchewan River. Are there funds being provided to the Global Institute for Water Security for that research?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And indeed we do work very closely with the global water institute of Saskatchewan, the Global Institute for Water Security at the University of Saskatchewan, and we're very pleased with the co-operation that we do receive.

How it works with the collaboration though is that the institute would propose a project, and sometimes some funds are given but they would be very modest in kind — probably less than \$10,000 — or they'd be modest, but we do give some support in that area. But where the vast majority of the support is delivered in kind, it is through the expertise of the Water Security Agency, whether it's monitoring or other services that

can be provided if indeed we feel that the project is worthwhile. And you know, the institute is led by Dr. Howard Wheater and he is known as one of the world's foremost hydrologists and he's been a real pleasure to work with.

Ms. Sproule: — Thank you, Mr. Minister. In terms of the climate change adaptation, I'm just wondering if the agency is looking at research. You talk about — I'm back to page 11 again — using the latest science to model future water supplies and develop adaptation options. In the downstream area of Lake Athabasca, we know that the Clearwater River flows into northern Saskatchewan from that watershed, and there are concerns being expressed about the deleterious impact of the exploitation of the tar sands in northern Alberta. Is the agency pursuing any research or science to monitor and establish baseline science so that the deleterious effects of that development can be measured in terms of the water supply for the Clearwater River watershed?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. And indeed, the Water Security Agency does have a water quality monitoring station on the Clearwater River. Its operation has just been in place for a year now, so we're just getting some of the initial reports, and it's something that will be of great benefit to us going into the future. You know, this is something that the Water Security Agency is doing.

Just straying off-topic a little bit here, putting my hat as Minister of Environment on. The boreal water strategy is something that's much larger and covers a vast array of water bodies across northern Saskatchewan. And that is, you know, a five-year program that we're in the second year of, and we've levered a vast amount of private-sector dollars from companies like Cameco and the University of Alberta and others. So that's a very large project taking . . . But specifically to your question, yes, we are monitoring the Clearwater River.

[23:00]

Ms. Sproule: — Just turning now — near the end here of our time — to reservoirs. And on page 7 of your 25-year plan you indicate a need for a new infrastructure for water supply and including new reservoirs, on the second line of that page: "Additional water infrastructure, including new reservoirs, pipelines, and canals may be necessary to secure the water needed for growth." And then further to that, at the bottom of the page — I can sort of double up here — there's indication that the Qu'Appelle diversion from Lake Diefenbaker requires significant improvements for conveyance.

So I'm just wondering what kind of funds are allocated for that in this fiscal year, and if the minister has any indication about the sort of long-term costs that the agency's looking at in order to ensure that that water supply and the infrastructure's in place?

Hon. Mr. Cheveldayoff: — Thanks very much for the question. On the topic of the new reservoirs, it's something that we are looking at down the road. But we're not looking at it specifically yet this year because we're waiting for the water availability information to all be gathered.

We are looking at spending about \$1.8 million to investigate a

new canal in the Qu'Appelle River operation. It's something that, you know . . . It's a very, very important structure and flow, and we want to make sure that, you know, we are able to investigate how we can make improvements to it.

Ms. Sproule: — Thank you. It's interesting, in order to go to my hometown, I have to drive south. And I go by the Qu'Appelle diversion every time; I've been going for 30 years now. But just a month ago, I finally went to the other side, to the Gardiner dam and just took a little drive and had a look. And I'm looking at the picture on page 26 of the infrastructure for power there. But that is really one of the most amazing, I think, man-made feats in our history, is the Gardiner dam, and I would encourage members to visit that area if they haven't already.

On page 26, you are talking about sustainable operation of the dam and the benefits. And I know this is somewhat in the future, in terms of federally-owned infrastructure, and I know the Prairie Farm Rehabilitation Association, I think, PFRA as it's commonly known, has all kinds of dam infrastructure that I believe they're interested in devolving to the province. So that will obviously impact the agency's operations in a significant way once those are devolved.

What kinds of preparations are undergoing, are taking place now in order to devolve that infrastructure to the province?

Hon. Mr. Cheveldayoff: — Thanks very much for the question and the comment. PFRA owns about 35 dams and control structures in the province. Discussions have been under way and agreements in place to take five of those structures into provincial hands. The others are in southwestern Saskatchewan and there haven't been any discussions about those. But five structures that we're talking about are on the Qu'Appelle chain.

The member mentions a little bit about Gardiner dam and the magnificence of that area. And you know, I can honestly say, in what I've learned in this ministry and with this agency, is that the great work that was done by people like Danielson and Douglas and Gardiner and Diefenbaker was just amazing. We can only hope that we have the same type of vision that they had to bring Diefenbaker Lake and Gardiner dam and Danielson Park and all the work and the great co-operation that happened between the province and the federal government at that time.

You know, people keep asking if, do we have enough water to ensure that we can maintain our economic viability? And because of that we certainly do.

Ms. Sproule: — Thank you, Mr. Minister. And I think, you know, I have to say I couldn't agree with you more on that. And given the hour and the good responses from you and your officials, there's so much in this 25-year plan that we could talk about for many, many hours. But I think, given the time of the night, and I think that's it. I'm out of time, or I'm out of time and I'm out of words. So thank you for your commentary. I'd like to thank the minister and his officials for all their forthcoming answers.

Hon. Mr. Cheveldayoff: — Thanks very much to the member and to the Chair and committee members. To the member, thank you. Your questions again have been thoughtful and

provoking, and we appreciate that.

And one thing about the 25-year plan, it's a living document. It's going to be updated every five years. It doesn't have all the answers, but we'll be continuing to solicit members of the legislature and those outside to help improve that document. So any suggestions for improvement will be well received. Thank you, Mr. Chair.

The Acting Chair (Mr. Hutchinson): — Thank you, Mr. Minister, and officials and committee members. We can proceed now to the votes. Vote 87, Water Security Agency. This is the Water Security Agency, subvote (WS01) in the amount of \$15,480,000. Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — That's carried. I have to ask a member now to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2014, the following sums for Water Security Agency in the amount of \$15,480,000.

Mr. Bradshaw.

Mr. Bradshaw: — I so move.

The Acting Chair (Mr. Hutchinson): — Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. I believe the officials are free to go now if they wish. If the minister wishes to stay to listen to the votes on the other estimates for the Environment ministry budget, you're certainly welcome to. But I gather that's not necessary — your choice, sir.

**General Revenue Fund
Environment
Vote 26**

The Acting Chair (Mr. Hutchinson): — Okay, let's proceed then, shall we. Vote 26, Environment, central management and services subvote. This is (EN01) in the amount of \$16,906,000. Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — That's carried. Climate change, subvote (EN06) in the amount of \$4,347,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — That's carried. Landscape stewardship, subvote (EN15) in the amount of \$3,940,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — That's carried. Environmental support, subvote (EN14) in the amount of

\$2,927,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. What an agreeable group you are. It's fun to work with you. Fish and wildlife, subvote (EN07) in the amount of \$9,808,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Compliance and field services, subvote (EN08) in the amount of \$16,724,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Environmental protection, subvote (EN11) in the amount of \$39,572,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — That's carried. Forest services, subvote (EN09) in the amount of \$12,488,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — That's carried. Wildfire management, subvote (EN10) in the amount of \$60,154,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Agreed. Carried. And the amortization of capital assets in the amount of \$9,061,000, this is for information purposes only. Apparently no vote is required; this is just for the records.

And our final one, the Environment, vote no. 26 for \$166,866,000. I'll now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2014, the following sums for Environment in the amount of \$166,866,000.

Moved by Mr. Doke. Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. She's working me like a rented mule. Carry on to Agriculture.

**General Revenue Fund
Agriculture
Vote 1**

The Acting Chair (Mr. Hutchinson): — We're on a roll. You know, we could do next year's budget, have a bit of time.

Okay. Here we are with Agriculture. Vote 1, Agriculture,

central management and services, subvote (AG01) in the amount of \$10,766,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — That's carried. Policy and planning, subvote (AG05) in the amount of \$3,607,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Research and technology, subvote (AG06) in the amount of \$27,704,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Regional services, subvote (AG07) in the amount of \$40,116,000. Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Land management, subvote (AG04) in the amount of \$8,345,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Industry assistance, subvote (AG03) in the amount of \$7,171,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Financial programs, subvote (AG09) in the amount of \$26,478,000, is that agreed?

Some Hon. Members: — Agreed.

[23:15]

The Acting Chair (Mr. Hutchinson): — Carried. Business risk management, subvote (AG10) in the amount of \$282,520,000. Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Amortization of capital assets in the amount of \$2,106,000, this again is for information purposes only. No vote is necessary.

And finally with respect to Agriculture, vote 1, \$406,707,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2014, the following sums for Agriculture in the amount of \$406,707,000.

Moved by Ms. Jurgens. Agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried.

**General Revenue Fund
Highways and Infrastructure
Vote 16**

The Acting Chair (Mr. Hutchinson): — Highways and Infrastructure, vote no. 16, central management and services, subvote (HI01) in the amount of \$22,358,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Strategic municipal infrastructure, subvote (HI15) in the amount of \$35,976,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Operation of transportation system, subvote (HI10) in the amount of \$6,144,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Preservation of transportation system, subvote (HI04) in the amount of \$141,692,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried. Transportation planning and policy, subvote (HI06) in the amount of \$3,270,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Custom work activity, subvote (HI09) in the amount of zero dollars. This again for information purposes only. But it does require a signature. Custom work activity, subvote . . . [inaudible interjection] . . . Yes we did that one. Sorry, forgot to cross it out. It's getting late. Machinery and equipment, subvote (HI13) in the amount of \$5,750,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. Amortization of capital assets in the amount of 138,121,000. This again is for information purposes only. Do we sign that one? Yes we do.

And finally, Highways and Infrastructure, vote 16, for \$295,190,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2014, the following sums for Highways and Infrastructure in the amount of \$295,190,000.

Mr. Bradshaw so moves, I understand.

Mr. Bradshaw: — I do.

The Acting Chair (Mr. Hutchinson): — He does. I saw him move. Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried. Her Majesty's going to be very busy. How much more of this? Okay, we're going to be busy too.

**General Revenue Fund
Highways and Infrastructure Capital
Vote 17**

The Acting Chair (Mr. Hutchinson): — This is for vote 17, Highways and Infrastructure Capital. Infrastructure rehabilitation, subvote (HC01) in the amount of \$91,700,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried. Infrastructure enhancement, subvote (HC02) in the amount \$189,110,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried. Highways and Infrastructure Capital, vote 17 for \$280,810,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2014, the following sums, which to the extent that they remain unexpended for that fiscal year are also granted for the fiscal year ending on March 31st, 2015, the following sums for Highways and Infrastructure Capital in the amount of \$280,810,000.

Moved by Mr. Doke. Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried.

**General Revenue Fund
Innovation Saskatchewan
Vote 84**

The Acting Chair (Mr. Hutchinson): — Okay. Vote 84 for Innovation Saskatchewan. Innovation Saskatchewan, subvote (IS01) in the amount \$28,006,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2014, the following sums for Innovation Saskatchewan in the amount of \$28,006,000.

Moved by Ms. Jurgens. Is it agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried.

**General Revenue Fund
Saskatchewan Research Council
Vote 35**

The Acting Chair (Mr. Hutchinson): — Saskatchewan Research Council, subvote (SR01) in the amount \$19,743,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2014, the following sums for Saskatchewan Research Council in the amount of \$19,743,000.

Moved by Mr. Bradshaw. Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried. While she's doing that, I'll ask the obvious question. How come we're doing all of this? Can't these other folks look after their own business?

**General Revenue Fund
SaskBuilds Corporation
Vote 86**

The Acting Chair (Mr. Hutchinson): — Vote 86 for the SaskBuilds Corporation: SaskBuilds Corporation, subvote (SB01) in the amount of \$8,300,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — Carried. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2014, the following sums for SaskBuilds Corporation in the amount of \$8,300,000.

Moved by Mr. Doke. Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried.

**General Revenue Fund
Supplementary Estimates — March
Agriculture
Vote 1**

The Acting Chair (Mr. Hutchinson): — Vote 1 for Agriculture, business risk management, subvote (AG10) in the amount of \$43,154,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2013, the following sums for Agriculture in the amount of \$43,154,000.

Whose turn? Mr. Bradshaw. Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried. More on that later.

**General Revenue Fund
Supplementary Estimates — March
Highways and Infrastructure
Vote 16**

The Acting Chair (Mr. Hutchinson): — Vote 16, Highways and Infrastructure, operation of transportation system, subvote (HI10) in the amount of \$10,000,000, is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2013, the following sums for Highways and Infrastructure in the amount of \$10,000,000.

Moved by Mr. Doke. Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried.

Committee members, you have before you a draft of the third report of the Standing Committee on the Economy. We require a member to move the following motion:

That the third report of the Standing Committee on the Economy be adopted and presented to the Assembly.

Mr. Bradshaw so moves.

Mr. Bradshaw: — I so move, yes.

The Acting Chair (Mr. Hutchinson): — Is that agreed?

Some Hon. Members: — Agreed.

The Acting Chair (Mr. Hutchinson): — It's carried. Now being approximately 11:30 p.m., it is past the hour of adjournment. The committee stands adjourned to the call of the Chair. So I would like to ask a member to move a motion of adjournment . . . [inaudible interjection] . . . We've done that? We're good. We just did it. Fair enough. We are now adjourned, ladies and gentlemen. Thank you so much for your co-operation.

[The committee adjourned at 23:27.]