



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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Regina Gardiner Park

Mr. Buckley Belanger, Deputy Chair
Athabasca

Mr. David Buckingham
Saskatoon Westview

Mr. Larry Doke
Cut Knife-Turtleford

Ms. Bronwyn Eyre
Saskatoon Stonebridge-Dakota

Mr. Delbert Kirsch
Batoche

Mr. Doug Steele
Cypress Hills

[The committee met at 13:29.]

The Chair: — Well good afternoon, committee members. We are back this afternoon considering the estimates for the Environment ministry. It is 1:29 p.m. I'll note for the record we are considering from the Ministry of the Environment, as I mentioned, for three hours this afternoon and then switching over to Water Security for an hour and a half. Should be done around 6:00 p.m. this afternoon. We have a few substitutions that I will announce on the record. Ms. Sproule is substituting for Mr. Belanger, and Mr. Kaeding is here for Mr. Buckingham.

**General Revenue Fund
Environment
Vote 26**

Subvote (EN01)

The Chair: — As I mentioned before, the committee is considering the estimates, supplementary estimates for the Ministry of the Environment. We'll now begin our consideration of vote 26, Environment, central management and services, subvote (EN01).

Minister Cox, thank you for being here this afternoon. I imagine you have some introductions and some opening remarks that we will hear from you now.

Hon. Mr. Cox: — Thank you, Mr. Chair. Good afternoon to you, and good afternoon to the committee and thank you for being here. Yes, I would like to introduce the officials that are with me here this afternoon. I have Kevin Murphy, my acting deputy minister; Lori Uherksy, the assistant deputy minister, environmental support division. Erika Ritchie is the assistant deputy minister of the environmental protection division. Kristen Fry is the director of budget and fiscal planning at corporate services; Steve Roberts, our executive director of wildfire management branch. Scott Pittendrigh is the director of climate change branch. Sharla Hordenchuk is the director of environmental assessment and stewardship branch, and Kevin Calleele, the executive director of compliance and field services. And also Tyler Lynch, my chief of staff, is here with us this afternoon. And I thank them very much for all the work that they've done so far and look forward to this afternoon.

I'll just continue with a few comments if I may, Mr. Chair. The theme of Saskatchewan's 2016-17 provincial budget is keeping Saskatchewan strong. While this budget saw some controlled spending as a result of lower than expected resource revenues, our government is making important investments in infrastructure, people, and the environment. The Ministry of the Environment's 2016-17 budget continues to support the government's plan for growth which includes protecting and safeguarding our environment to support economic growth and a better quality of life for all people in Saskatchewan.

As the population grows and the economic activity increases, the ministry will continue to manage and protect the province's natural resources in a responsible, science-based, and sustainable manner. The ministry's 2016-17 budget represents an investment of \$175 million to promote protection and stewardship of the province's environment — the air, the land,

the water, wild plants and animals and their supporting habitats. It includes funding for the ministry to continue implementation of results-based regulation and to continue its work in environmental protection and resource management to ensure that our environment is healthy, and our resources are protected for future generations.

The 2016-17 budget includes \$14.598 million in additional capital funding to continue the purchase of a CL-215T firefighting aircraft that will add to our aerial fleet, further enhancing our ability to protect communities, properties, and forest resources in this province. The budget also includes an increase of \$3.203 million in capital funding for the expansion and safety upgrades to the La Ronge hanger and apron, which will ensure the ministry can continue to support its aerial fire suppression program in a more effective manner.

We are also continuing our commitment to climate change and will continue to develop the policy and regulatory framework for reducing greenhouse gasses and other initiatives.

The 2016-17 budget includes 24.039 million in funding for Sarcan to support the operation of the beverage container collection and recycling program.

The 2016-17 budget includes \$820,000 to continue a landscape-based approach to species planning and management. This includes \$705,000 for woodland caribou work, which represents an increase of \$455,000 to facilitate development of the woodland caribou range plans, based on work and information-gathering measures that the ministry has undertaken since 2013-14.

The budget also includes an increase of \$100,000 and one FTE [full-time equivalent] to help reduce the risk of environmental impacts from aquatic invasive species. This funding will be focused on education and awareness, strategic communication, and decontamination efforts.

Mr. Chair, these are a just a few of the initiatives in this year's environmental budget. In closing I want to thank my officials for all of their good work. This year's budget of \$175 million for the Ministry of Environment will enable us to continue to manage the health of Saskatchewan's environment in a respectful, responsible, and enforceable manner that balances growth with sustainable development through objective, transparent, and informed decision making. And that concludes my opening remarks, Mr. Chair.

The Chair: — Thank you very much, Minister Cox, for that information about what's happening in your ministry and how it pertains to this year's budget. Now it is time to examine the witnesses, ask questions. Are there any questions from committee members? I recognize Ms. Sproule.

Ms. Sproule: — Thank you very much, Mr. Chair. Thank you, Mr. Minister, for those opening comments, and thanks to all the officials for coming out today, although I don't know if you had much choice. But I'm glad you're here anyways. And congratulations certainly to Mr. Murphy for your appointment as the acting deputy minister. I'm looking forward to the conversations today.

I'll start off with some questions around finances and fiscal issues. So the most recent Public Accounts that we have the ability to ask you questions about is, I believe Public Accounts '14-15. So I'm going to start there, '14-15 Public Accounts, just some general questions and then move into this year's estimates.

So the first place I wanted to ask some questions about was on page 9 of Public Accounts '14-15. And here we have, this is when we switched from GRF [General Revenue Fund] accounting to summary accounting. On the line for Environment and Natural Resources, there's some consolidation adjustments that were made both in 2014 and in 2015. And I'm just wondering if you could explain what those, how that consolidation adjustment took place, and what kind of money we're talking about there. I think it's 22 million about, or almost 23 million in 2015 and in 2014 it was 34.6 million.

Hon. Mr. Cox: — We're starting off on a bad note here, Ms. Sproule. Can we get back to you on that question?

Ms. Sproule: — Absolutely. Thank you for that. I do have a few more on Public Accounts, so did you want to grab a copy of it from someone before we go on or should . . . Do you have it with you? Okay.

Hon. Mr. Cox: — You're referring to the item from . . . was 34, now you're down to 22 million. Is that the line you were looking at?

Ms. Sproule: — Well in 2014 the consolidation adjustment was 34 million, and in 2015 it was 22 million.

Hon. Mr. Cox: — Yes, so that's the one.

Ms. Sproule: — So what are those figures and what do they represent? All right. We'll keep going then. Just looking at the schedule of revenue now that the ministry is responsible for. This is on page 11 of Public Accounts, and in that total we have almost \$50 million of own-source revenue and then \$3.4 million transfers from the federal government. So I just wondered if you could provide the committee with some breakdown as to what that own-source revenue is derived from and what the federal allocations were used for in that year and possibly even last year if possible?

Hon. Mr. Cox: — Kristen has that information. I'll just let her share it with you if I may.

Ms. Fry: — So your question is, what makes up the 49.918 and what makes up the 3.4 million? Okay, so I'll start with the federal transfers, the 3.4 million. Two point one million is related to an agreement, Primrose, the wildfire management, the Primrose air weapons range; 1.256 million is for, I have DIAND [Department of Indian Affairs and Northern Development], but it's AANDC [Aboriginal Affairs and Northern Development Canada].

And then the remaining 50,000 is in forest service. It's the same as last year. It's 49,000 for . . . I have to think of . . . Sorry, now it's lost. I'll find it in a second . . . [inaudible interjection] . . . Yes, as a federal-provincial cost share. And I had it, and I will find it.

And then the 49.918 million is made up of three major categories. The first one is other fees and charges for 41.2 million approximately. That's fishing, hunting licences. It's our land sales. It's property. It's the Sarcan, the revenue for . . . [inaudible]. Then interest of 47,000. Transfers from the federal government . . . Sorry, I already did that one. And then miscellaneous for 8.7 million. And bottle deposits is the major one in there, receipts from other provinces.

Ms. Sproule: — Bottle deposits and what was the other one?

Ms. Fry: — Receipts from other provinces. The recoverable fire revenue. That's what's makes up the big, the two major components of that.

Ms. Sproule: — All right, and the money that Indian Affairs or whatever it's called now — Indigenous Affairs, sorry — is providing, is that an annual fee or was that just for '14-15?

Ms. Fry: — In the federal that's the number I quoted for the 1.256 million?

Ms. Sproule: — Yes.

Ms. Fry: — It's annual, and it's based on a long-standing agreement.

Ms. Sproule: — And what is that agreement for?

Ms. Fry: — Steve, do you want to speak to that one, with the AANDC agreement?

Mr. Roberts: — So we have an annual agreement with the federal government, INAC [Indian and Northern Affairs Canada] now, that provides funding to the government to provide fire protection for certain reserves in Saskatchewan. That agreement is reviewed annually, and new reserve areas are added or subtracted depending on what the federal government would like.

When we agree to that, it will change the rate that they pay to the government. And then we of course use that dollars to go forward with the protection on that agreement and those lands.

Ms. Sproule: — Can you just provide the committee with sort of a general trajectory as to that funding? Is it going up? Is it going down over the years, or is it relatively stable?

Mr. Roberts: — It is relatively stable. It trends slightly up when TLE [treaty land entitlement] land gets added in many cases. Typically it only applies to lands that are in the northern provincial forest where there is wildfire activity on a regular basis.

Ms. Sproule: — And the Primrose air weapons range arrangement for 2.1 million, is that an annual stable amount as well? And what's that for?

Mr. Roberts: — That's the same. The federal government also provides us money to protect the air weapons range from wildfires when that occurs. They adjust it based on our annual response capacity, but the area does not change. It is a fixed area. So it's really based on an average wildfire cost that's

factored in, so it does not change significantly year to year.

Ms. Sproule: — And are there any arrangements for the national parks?

Mr. Roberts: — The national parks, both federal and national parks have agreements with us, but it is on a cost-recovery basis, so if we assist them on their request, they will pay for those services. If they assist us, we will reimburse them for their costs to help. So we have an agreement with them for mutual support.

Ms. Sproule: — Thank you very much. I'm going to turn now to page 82 of Public Accounts, and this is a summary of spending for Environment, the actuals for '14-15. And my first question is the amount on reforestation. In '14-15 it looks like the actual amount was 2.4 million. I just again would like to know whether that is a stable number or has it gone up in the last year? And what's this year's budgeted amount for reforestation?

Hon. Mr. Cox: — It's relatively constant. It has varied over many, many years between that 2 and 3 million figure. I believe this year's figure was 1.940 million for the reforestation. As we work our way out of that, by 2018-2019 we should have all of our non-sufficiently regenerated forests will be reforested, and then we'll just be looking at tending and site management, that kind of stuff.

Ms. Sproule: — Can you describe for the committee what these non-sufficiently regenerated forests are?

Hon. Mr. Cox: — The non-sufficiently regenerated forests basically resulted prior to our entering into forestry agreements and temporary supply licences. Back in the '80s and '90s, before those were involved, there was no onus on the forest industry to regenerate the forest that they harvested and there was no clear-cutting requirement. So there was some forest left with . . . They just selectively cut what they wanted. So as a commitment to the province of Saskatchewan we have been reforesting those areas. We've been doing it since 1939, and I think we've reforested something like 250,000 acres since that time, I believe, if that's the right figure.

Ms. Sproule: — Yes, I think I put a few thousand trees in myself back in my day. But in terms of this year and the reforesting that's going on in this fiscal year, how much of those acres are actually these restock situations? Or are they new cuts, like currently cut, like they're still harvesting trees and those have to be reforested as well?

Hon. Mr. Cox: — Anything now as a result of the forestry agreements are reforested by the industry, okay, whether it's a temporary supply licence or a forestry agreement. The only ones that we are reforesting are the ones that were prior to having forestry agreements. I can tell you how many acres we are reforesting this year, if you want that.

[13:45]

Ms. Sproule: — Yes, that would be helpful, thank you.

The Chair: — I'll just interrupt here real briefly. I was remiss

in mentioning if officials could just introduce themselves the first time they . . . just for the written record so we know who is addressing the committee. Sorry for not mentioning it before.

Hon. Mr. Cox: — I believe this year it was 600 acres that we're reforesting.

Ms. Sproule: — 600?

Hon. Mr. Cox: — Yes.

Ms. Sproule: — And what's the backlog?

Hon. Mr. Cox: — What's left to reforest? Approximately only 1 per cent of the forest is non-sufficiently regenerated. Of that about 30 per cent is ours. I'll get you that figure. I'll get those exact figures for you, Ms. Sproule, but there's still some reforesting being done of course, from the past that they are doing on the forest management agreements and on the temporary supply licences. But our share of it will be pretty much completed in the next three years.

Ms. Sproule: — Okay. You're talking about reforestation by the industry. What oversight does the ministry have in regards to those efforts by industry?

Hon. Mr. Cox: — We do physical inspections, and we monitor those inspections and as well, monitor . . . They're also required to do the tending as well and we monitor that.

Ms. Sproule: — How many FTEs are engaged in that inspection activity?

Hon. Mr. Cox: — We have a total of 12 right now.

Ms. Sproule: — And is that seasonal work, or is that full-time employees that go out?

Hon. Mr. Cox: — These are full-time positions.

Ms. Sproule: — Insect and disease control, I see in '14-15, there was about \$2.1 million spent in the forestry area. Is that a number that is stable as well? Would that be similar last year and this year? Or what would the trend be like there?

Hon. Mr. Cox: — It's relatively stable. This year we did cut that by \$329,000. All of that work is done by private contractors, and we have entered into some of those contracts now, and we'll move ahead as more work needs to be done.

Ms. Sproule: — And what's the main infestations that you are dealing with right now?

Hon. Mr. Cox: — Probably the biggest one, as far as dollars and time and manpower goes, is the mountain pine beetle. We have agreements with the province of Alberta. We have been very diligent in watching in our Cypress Hills inter-provincial park. In past years, there has been some infestations found, and we did cut and burn trees from that area. At one point in time, there was mountain pine beetle found 50 kilometres from our border, and then with diligent work we've moved that back to about 120 kilometres I believe, to where they are now. And we're continuing to help fund the Alberta efforts. And they're

now finding that the mountain pine beetle not only will attack the lodgepole pine. They will survive on the jack pine, so of course that's a very serious issue for here in Saskatchewan with our forest industry.

Ms. Sproule: — Yes, that is alarming. Do you have any employees or officials from the ministry that are looking into the impact of climate change on our winters? And I know that mountain pine beetle is normally pushed back by cold winters, so are you putting any work into planning for the future in the event that winters aren't cold enough?

Hon. Mr. Cox: — That's exactly what part of this funding goes for is, between ourselves and Alberta, the scientists and experts that are looking at that, trying to push them back in the event that there is a warmer winter coming like the one we had this past year, to try to keep them back as far as we can because we know that it is a factor.

Ms. Sproule: — I noticed that in '14-15 Public Accounts there were actually no salaries that were allocated to insect and disease control. It was just \$2 million for goods and services. Is that something we contract out?

Hon. Mr. Cox: — All of that work is contracted out: the surveillance, the aerial surveys. Everything is contracted out.

Ms. Sproule: — Are there any Saskatchewan companies doing that work, or is that mostly Alberta companies?

Hon. Mr. Cox: — Presently there is two companies doing that work. One of them has got an office in Prince Albert.

Ms. Sproule: — And what company is that?

Hon. Mr. Cox: — KBL, is it? KBL. KBM, sorry.

Ms. Sproule: — I do see there's KBM Resources Group. Would that be them?

Hon. Mr. Cox: — Yes, they've done work for us for about seven years.

Ms. Sproule: — Thank you very much. Okay, I'm going to turn now to the goods and services over \$50,000, the list in the Public Accounts. I just like going through them. It's a thing. But anyways it's kind of interesting. I just am intrigued by some of the companies that are engaged and that are listed here. First of all, there's a company called Osprey Wings Ltd for \$220,000. Can you share with the committee what that company does?

Hon. Mr. Cox: — I'm sorry, could you repeat that please?

Ms. Sproule: — Osprey Wings.

Hon. Mr. Cox: — Osprey Wings was a fire suppression for the rent of aircraft, supplied helicopters.

Ms. Sproule: — Okay, thank you. Is that an annual type of arrangement with them, or was that only in '14-15 that they were engaged?

Mr. Roberts: — Steve Roberts, wildfire management. We tender out both our float planes and our helicopter contracts and our detection contracts annually. Sometimes they're for two years and one year, but they are a contracted service. Osprey was the successful bidder. I believe this contract for this year was for their float plane in the Far North out of Stony Rapids.

Ms. Sproule: — And how many FTEs do you have involved in fire suppression and welfare management?

Mr. Roberts: — So the FTE count for wildfire management for 2016-17: 316.7.

Ms. Sproule: — And is that all full-time equivalents?

Mr. Roberts: — Yes, that's full-time equivalents. That equates to over 400 staff in the peak of fire season.

Ms. Sproule: — Thank you. When you're contracting out these services under, do you do the work yourself or is that through Central Services, the contracts?

Mr. Roberts: — All our contracts are public. Tender will go through Central Services and go on to the public tender site.

Ms. Sproule: — Then my question will be for Central Services. So I'll leave that. There's a payment in '14-15 to Elaine Pare for \$97,000. Could you share with the company what that was for?

Hon. Mr. Cox: — We can proceed if you want, Ms. Sproule, and we'll get that number for you, get what it was for.

Ms. Sproule: — Thank you for that. I noticed there's a number of consulting contracts as well that are obvious consulting contracts: ESTI Consulting Services, SRK Consulting Canada for \$1.1 million. I think I would like to ask a general question about consulting, though, and it is, how much do you spend each year on consulting? Like what is budgeted for this year, and what were the actuals for '14-15 and, if you have them, for '15-16? I know they should be close to being done. Further to that, what was the consulting for?

Hon. Mr. Cox: — I can give you the 2014-15. It was 2.460. And for such things as, you know, we have some consultants in our First Nations department. We have some in the IT [information technology] and the RBR [results-based regulation]. I can just give you a few if they want here. BioForest Technologies, and this is a contract for trivalence against some of the spruce budworm work as well as the mountain pine beetle.

I'll try to get, pick out some of the major ones here. Blackbridge Geomatics was for some map sheet updates. First Resources for a sky pilot study. Forest Protection Limited for 40,000 for some international work there. Individual tree analysis was 42,000. Again too, with our mountain pine beetle work with Alberta, it was 1.250 for the province of Alberta, what we sent them to work collaboratively with them on the mountain pine beetle initiative. So that's obviously the major one there.

Ms. Sproule: — You mentioned First Nations. Which

companies did work with you regarding First Nations?

Hon. Mr. Cox: — It's lumped in with some of these other items in that same branch. For example, the woodland caribou. There'll be some work done in there, and that was for 118,000 to Carmen Leibel. There'll be some . . . You know we consulted with local bands up in that area, you know, the elders in that area. You know, we relied on their expertise as well. So there'll be some of that work went in there, into contracts.

Ms. Sproule: — Thank you. One last question on Public Accounts '14-15, and then that's under other expenses on page 89. A payment to Francis & Company for 60,000. Could you let the committee know what that was for?

[14:00]

Hon. Mr. Cox: — Yes, that contract was for some . . . with regards to our caribou range, planning for some cumulative work in the caribou range planning.

Ms. Sproule: — So why would that not be listed under goods and services under other expenses?

Hon. Mr. Cox: — It's a personal services contract so we contracted personally straight to him rather than through that branch.

Ms. Sproule: — There are other personal contracts under the previous heading.

Hon. Mr. Cox: — That particular contract is what's called ACAN [advanced contract award notice] contract, which is a direct-pay contract to the service provider.

Ms. Sproule: — And I guess I just don't understand why that wouldn't be listed under goods and services but I guess it's just the way . . .

Hon. Mr. Cox: — It's a provision that's been there for a long time and we've done it with this caribou planning before.

Ms. Sproule: — Okay, the caribou range. All right. Moving on then. Thank you very much. Francis & Company. So is Mr. Francis, is that an individual then?

Hon. Mr. Cox: — Yes. Yes.

Ms. Sproule: — It looks like it's a registered company so I'm not sure why you would do this. It's Francis & Company, so why wouldn't that be under a contract?

Hon. Mr. Cox: — That's a . . .

Ms. Sproule: — There is no contract with them then. It's just a cash payment or . . . Is there a contract?

Hon. Mr. Cox: — It's a contract. A term contract.

Ms. Sproule: — Okay. I'm just confused because if you look at goods and services, that describes contracts. So this is anything other than contracts. So it's very misleading I guess.

All right. Moving on to the estimates for '16-17 then, I'm going to start off on page 17 with the schedule of capital investments. You indicated that, in your opening remarks, that there's about 17 million going to upgrade . . . purchase of an aircraft, I think in the La Ronge airport. There's upgrades going on there. What is the other . . . you're estimating \$23 million for the forest fire aerial fleet renewal and operations, so there's probably about 5 or 6 million that you haven't talked about in your opening comments. What additional things are you achieving there?

Hon. Mr. Cox: — We're looking at 14.578 for the upgrade of the 215T, as well as 3.203 for apron and hangar enhancements, and the balance of that is . . . Okay, the 215T was a fourteen five seventy-eight increase, so that's seventeen five seventy-eight, plus the three, okay. And that comes up to . . . And then we purchased some heavy equipment, some tracks, bunkhouses, those sorts of things, brings us up to the total of twenty-three oh six six.

Ms. Sproule: — So the 215T is an aircraft, correct?

Hon. Mr. Cox: — Yes it is.

Ms. Sproule: — And you're spending 14 million this year on it. And what is the additional 3 million, is that from another year, or . . .

Hon. Mr. Cox: — We had 3 million in the budget last year, so we're spending that plus another fourteen five seventy-eight. So seventeen five seventy-eight, total this year.

Ms. Sproule: — And why didn't you use 3 million in last year? Why did you carry it over?

Hon. Mr. Cox: — We spent three last year and three again this year. That was a deposit, at the time.

Ms. Sproule: — A deposit of 3 million last year and then this year you're paying the balance?

Hon. Mr. Cox: — It isn't all the balance. There's more coming in next year's budget as well.

Ms. Sproule: — So of that \$23 million that you're estimating for this year, you're saying 17 million is for the plane? Or 14 million?

Hon. Mr. Cox: — No, seventeen five ninety-eight is our total expenditure on the plane this year.

Ms. Sproule: — Okay. And you only reported 14 million to begin with because you didn't count . . . is it another deposit for this year, or . . .

Hon. Mr. Cox: — In that line it says our increase in capital this year was fourteen five seventy. That's our increase in capital, okay?

Ms. Sproule: — Okay. Okay. And then the equipment, I think that we're still looking at \$3 million in equipment, if I did my math right, if it's 17 and 3 for La Ronge. So that additional 3 million in equipment, is there any big-ticket items there? Or is that just quads and trucks and . . .

Mr. Roberts: — Yes. What we have is we have an ongoing capital renewal plan for our fire bases. So this year I believe there will be an office building going into the Dorintosh fire base. We have already put bases in Cypress Hills and done upgrades there. So they take a multi-year program to get those done. They get a new office building. They get a new bunkhouse building and a new storage building where they can work out. So that takes . . . We put some in each year. It's a five-year rolling plan.

Ms. Sproule: — So that's capital. In terms of field equipment, you're not budgeting anything this year for that. Is there no need for field equipment this year?

Mr. Roberts: — So that includes . . . We have 800,000, roughly, is fire equipment. But in years past we've also . . . The rest of the ministry can purchase equipment. But ours is in that 1.2 million annually, so that would be fire trucks, our UTV [utility terrain vehicle] quad trailers, our pumper trailers that we purchase. So that's a rolling fund as well for . . . It's an annual. It's not an increase this year. It would be a standard in that 1.2 million for the program itself.

Ms. Sproule: — Okay. Taking a look now at the schedule of appropriation by type on page 18 of this year's Estimates, there is a list there that describes government-delivered programs, transfers, and recovery. And it looks like your salaries are around 63 million; goods and services, 58 million; capital asset acquisitions, which I believe we just discussed, at 25 million; and then there's transfers for public services, operating transfers at almost 29 million. Could you share with the committee what that figure represents, the operating line?

Hon. Mr. Cox: — Okay. That's made up of basically three things: firstly is 3.704 for the Fish and Wildlife Development Fund, our share of the licences and twenty-four oh three nine is the Sarcen contract. And eleven . . . 1.141 for climate change budget.

Ms. Sproule: — When you say 1.141 for climate change budget, where is that transferred to?

Hon. Mr. Cox: — Okay, the large percentage of that is going to economic modelling and legal fees, those sorts of things in that branch.

Ms. Sproule: — What branch is that?

Hon. Mr. Cox: — In the climate change branch.

Ms. Sproule: — Within your own ministry?

Hon. Mr. Cox: — Within Environment, yes.

Ms. Sproule: — So why does it show up as a transfer for public service?

Ms. Ritchie: — Good afternoon. My name is Erika Ritchie. The reason for the . . . It's essentially an administrative transfer. Historically or previously we had had the monies flowing through the Go Green Fund, and with the completion of that project, that's why you see the transfer over into the budget line.

Ms. Sproule: — So where is it being transferred to now, then?

Ms. Ritchie: — It's being transferred into the budget for the climate change branch.

Ms. Sproule: — So it's not considered to be a government-delivered program then.

Ms. Ritchie: — It is a government-delivered program. Just previously it had been part of a designated program of Go Green funding, but because that program has ended it's rolled back in with regular budgeting.

Ms. Sproule: — Why do you have to allocate or separate it out in this way then?

Hon. Mr. Cox: — My accounting skills aren't that great, Ms. Sproule, but basically it's because that program wrapped up, so in order to show that properly we have to show it as a transfer, and from budgets going forward it will then be part of the branch funding. But it'll be a one-year thing.

Ms. Sproule: — So it's just a winding up basically of . . . All right.

You indicated that part of that \$1.141 million was for economic modelling and legal fees. Could you provide the committee with more detail in relation to those two items?

Hon. Mr. Cox: — Do you want . . . Legal fees show as 43,585, some work done by the University of Regina. Go ahead, Erika.

Ms. Ritchie: — Erika Ritchie. So I think as described last year, we have in our employ some legal counsel advising us on the legislation and regulatory framework for the climate file, and so that work continues from last year over into the current year. And as far as economic modelling is concerned, that is supporting policy work to understand the environmental and economic impacts of various policy measures.

[14:15]

Ms. Sproule: — In terms of a description of that work, is there a place on your website where one can get a more fulsome description of that policy work, or are there published reports in relation to that?

Ms. Ritchie: — Not at the current time.

Ms. Sproule: — Do you anticipate sharing some of those findings of that policy work with the public at some point?

Ms. Ritchie: — There will be information shared when we reach a point where we have some policy options ready to go forward for consultation.

Ms. Sproule: — Do you have an estimated time frame for that?

Ms. Ritchie: — Not at the present time.

Ms. Sproule: — Five years? 10 years? 20 years?

Ms. Ritchie: — Oh no, much sooner than that.

Ms. Sproule: — Under five years then. So I note that your allocation for climate change this year, vote (EN06) is 2.631 million. So is it correct to say then, of that 1.14 million is the cleaning up of the Go Green Fund that we've just talked about?

Ms. Ritchie: — So the work of the Go Green Fund has concluded, and the Aquistore project, there was 100,000 last year, you'll recall, that we paid out. So the remaining monies have been redirected toward the items that I've already listed, and so that's the work that is carrying on in follow-up to the Go Green funding.

Ms. Sproule: — So the entire 2.6 million is what you're talking about now, not just the 1.14 that we were talking about a few minutes ago.

Ms. Ritchie: — Just the 1.14.

Ms. Sproule: — So the remainder then, I'm still not clear. That \$2.6 million that's allocated for vote (EN06), is that over and above that 1.141 million? No. I'm getting a signal here, no. Okay, so then I think that leaves about \$1.5 million then for additional climate change work. You have a director here today. Can you describe for the committee what you hope to achieve with that \$1.5 million in this budget year?

Ms. Ritchie: — So the full 2.6 is monies that is being directed towards the ongoing work of the branch in terms of the policy development of which I've mentioned those two specific items, but it does relate to the full amount.

Ms. Sproule: — Yes, and I just would like more of a breakdown, please, of that full amount.

Ms. Ritchie: — So it's related to economic modelling and participation in the federal-prov-territorial meetings and the development of the pan-Canadian framework, other economic analysis, and policy work to support development of the framework.

Ms. Sproule: — Can you describe some of this economic modelling that you're doing?

Ms. Ritchie: — So essentially we're looking at intersectoral relationships and policy measures that may apply to these various sectors to understand the relationships between those and the consequences of those policy options, and so it's a very sort of sector-by-sector analysis.

Ms. Sproule: — What sectors are you referring to here?

Ms. Ritchie: — Sectors of mining, oil and gas, other . . . transportation. Agriculture would be another one. So these are all economic sectors.

Ms. Sproule: — So do you sit down with other ministry officials? Or when you're talking about the intersectoral relationships and the consequences of policy, are there individuals within Saskatchewan only, or do you sit down on a regular basis with people from other provinces? And what's the tangible result of these examinations?

Ms. Ritchie: — The tangible results. Well first of all, there's

direct engagement with those economic sectors and other ministry counterparts to seek inputs towards the economic modelling, which is a computer equilibrium generation model that is, you know, a very detailed, scientific model that takes that information and runs scenarios to see how various factors and scenarios may play out into different results, and as well also understands some of the interplays between the various sectors.

Ms. Sproule: — But what do you do with that? I mean, you can gather and generate, but are there any actions that come out of that?

Ms. Ritchie: — Absolutely, yes. In order for us to be able to recommend policy options to our minister, we need to be able to evaluate what the potential benefits and outcomes will be. And that's what the modelling allows us to do, put forward policy options.

Ms. Sproule: — So, Mr. Minister can you describe what policy options your staff have provided you in the last 6 months or 12 months?

Hon. Mr. Cox: — I think one of the things that — if I can just add to what Erika was saying — one of the things that we are working on with the pan-Canadian framework is we formed four working groups across the nation, and we have members on those working groups as well as our own provincial working groups. So those are some of the things that are informing it. You know, there's a working group that looks at carbon pricing, for one thing, another working group that's working with the adaptation measures that need to be addressed. Innovation of course is something that's very important here in Saskatchewan. Another working group's working on that and then mitigation of the results of any climate change.

So those are some of the things that we will be coming back with over the next several months. I believe there's ongoing meetings, both at the working group level and at the deputy minister level as well.

Ms. Sproule: — But can you provide us with a tangible policy option that you've been provided with that you're going to act on? Or are you just still waiting?

Hon. Mr. Cox: — I think it's in the very early . . . You know, this has just started. As you know, there's new government direction from the federal government. These working groups were just struck not that many months ago, and they've had two or three meetings. And I believe they are reporting back in September, if I'm not mistaken. Maybe you'd better not quote me on that, but . . . Is it September? Yes, that's when the working groups are to bring back their findings at that time. So you know, from there we'll be able to form some provincial policies.

Ms. Sproule: — So this economic modelling and these intersectoral relationships and the consequences of policies and direct engagement, getting inputs — all of those things just started since the federal election? This is the first time your group has done this work?

Hon. Mr. Cox: — No, I think that work has been ongoing for

quite some time. But as a result of some changes in the framework and certainly changes in the federal government and the Pan-Canadian frame, we've taken some different directions. So I mean, we're not going out and reinventing the wheel, but there has been some slight changes in direction; let's put it that way. And this is kind of the mandate that we've been given from the federal government, and perhaps it's going to be the right way to go.

Ms. Sproule: — I'm just going to go back to some numbers here. I'm having a lot of difficulty understanding what actual, concrete, tangible, forward-looking policies that your climate change directorate has been able to come up with.

But let's just take a look back at the climate change funding for your ministry through the estimates, I'd say, over the last . . . I've got numbers back to 2008. I'm just going to share some of these numbers with the committee. They're all in the budget, and they're all in the Public Accounts.

So in 2008-09, your budget was 29 million for environmental protection. You spent actually 28.6 million. And in 2009-10, your budget was 20.9 million, and you actually spent 12 million. So there was 8 million that wasn't spent that year.

In 2010-2011, your budget was 16.7 million, and you spent 16.0 million. So there's savings of 660,000 that year. In 2011-2012 your budget was 16.3 million. You only spent 12.5 million for savings of 3.7 million. A few more here, 2012-13 your budget dropped drastically — now we're in the single digits here — 5 million, and you only spent 2.4 million of that for savings of 3 million. In '13-14 you were down to 4.3 million in your budget, but you only spent 1.7 million of that total budget for a savings of 2.6 million. In 2014-15 you were allocated \$2.8 million in your budget, and you spent \$800,000, so that's a savings of almost \$2 million.

So to date in the last — 9 years, 8 years — 7 years, you have not spent a total of \$20 million on what you've been budgeted for climate change. In 2015-2016 you were budgeted \$2.6 million. So my question is what were the actuals for 2015-16, and can you explain to the committee, in addition to the 20 million that you've already saved and whatever you saved last year, why it is you're not spending the money that you've been allocated for climate change, why you're asking for that money and not spending it, and what happens to that \$20 million and, you know, why the large discrepancy?

If you look in the allocations in the public accounts, this is the only program that consistently returns monies or doesn't spend. So either it's bad budgeting or something, but if you could explain to the committee what's going on there.

[14:30]

Hon. Mr. Cox: — The biggest part of these numbers that you cited here from '08 right up until present time, part of that . . . And you see where it dropped off in '15 year, that was part of the Go Green Fund. That money was put in there in anticipation of uptake, and the uptake wasn't as great as what we had anticipated at the time. So that funding was in fact — your second question — it was turned back.

Ms. Sproule: — I'm sorry, what are the actual figures then for 2015-16?

Hon. Mr. Cox: — '15-16, 1.597, right? . . . [inaudible interjection] . . . I'm sorry, we don't have that final expenditure yet.

Ms. Sproule: — Do you have an unaudited figure, an unaudited figure for that . . . [inaudible interjection] . . . So I think that the Go Green Fund was ended in 2011-12 budget year, is that correct?

Hon. Mr. Cox: — '15-16 was the last payment to Aquistore.

Ms. Sproule: — Yes, but not Aquistore. I'm talking about . . . Well, the Go Green program was ended in '16, or '11-12. There were continuing obligations, I understand, past that point. But of the total, you're saying, of that \$20 million that you did not spend over those eight, seven years, that was just not uptake on the Go Green fund? Is that correct?

Hon. Mr. Cox: — I don't have the exact figures, Ms. Sproule, but it's about 16 million was uptake that was delayed. And about 4 million has not been utilized and it was turned back.

Ms. Sproule: — So when you say delayed uptake, of that 20 million, you're saying it was just carried over into the next year?

Hon. Mr. Cox: — Yes, that's what it was. Yes.

Ms. Sproule: — So this 2.631 million that are being used for the climate change vote this year, I think you indicated that 43,585 will be going to legal fees. Can you give us more . . . Like is that payment to the Ministry of Justice, or do you have private lawyers engaged?

Hon. Mr. Cox: — That was '15-16.

Ms. Sproule: — '15-16 was the 43,000?

Hon. Mr. Cox: — Yes.

Ms. Sproule: — Okay for '16-17, you have a budget of \$2.6 million for climate change. Is any of that going to be for legal fees?

Hon. Mr. Cox: — That's our budget to run the branch. Yes.

Ms. Sproule: — So is it about around 40,000 again this year as your budget?

Ms. Ritchie: — It could be in that range.

Ms. Sproule: — Is that officials from the Ministry of Justice that provide that work for you, or is it a private practitioner?

Ms. Ritchie: — Same as last year. It is a private practitioner.

Ms. Sproule: — And which lawyer, which legal firm are you engaging for that?

Ms. Ritchie: — It's an individual, Garry Moran.

Ms. Sproule: — And why would you seek individual private bar experience and not lawyers from the Ministry of Justice?

Ms. Ritchie: — The Ministry of Justice has advised us to seek his counsel on this file.

Ms. Sproule: — And what is Mr. Moran's expertise?

Ms. Ritchie: — Public sector. He is an expert in the field of climate change.

Ms. Sproule: — Is he from Saskatchewan?

Ms. Ritchie: — Yes. He is a former Ministry of Justice lawyer with the Government of Saskatchewan.

Ms. Sproule: — Did you tender this work out through RFP [request for proposal] or did you just directly engage him?

Ms. Ritchie: — Yes, it was direct engagement on the advice of Justice.

Ms. Sproule: — Do you hire lawyers for anything else?

Ms. Ritchie: — Not in the climate change branch, no.

Ms. Sproule: — Okay, that's good. In the description under vote 26, subvote (EN06) the climate change description is as follows:

Develops policy and regulatory frameworks to reduce greenhouse gas emissions from emitters and other sectors in partnership with industry, federal government and other stakeholders. Engages in economic modelling, scientific and legal analysis, and industry and stakeholder consultation to identify cutting-edge solutions to meet the goals of Saskatchewan's climate change plan.

Can you first of all describe for the committee what is Saskatchewan's climate change plan? I guess maybe I should say, I went online and I found a page that I think might be the plan, but I want to confirm that. So on your page, on your webpage there's something under programs and services called climate change. It's basically three or four paragraphs and then a pie chart describing how GHG [greenhouse gas] emissions are distributed by sector. Would you consider this to be your climate change plan?

Ms. Ritchie: — Well certainly information informing our plan.

Ms. Sproule: — So this isn't the entire plan then?

Hon. Mr. Cox: — The plan of course is constantly under review and constantly changing. And again I guess I'll go back to what I said a few moments ago with regards to some of the change in the framework and the direction from the federal ministry. And we're looking at, you know, such changes as the coal-fired electricity was implemented July 1st last year, and we're waiting for the sector-by-sector reports to come out from the federal government. So our plan is going to be reviewed as that is ongoing.

Ms. Sproule: — That plan has been referred to prior to these

recent changes though, so are you saying you've never had a plan written down for climate change? That there is no actual plan?

Hon. Mr. Cox: — As I just said, the plan is there. It's under review and it's constantly under review and is I guess . . . Call it a living document. Call it whatever you would like, but it's as a result of the work that's ongoing for the pan-Canadian framework from the federal government and planned to be reviewed and will be tailored as it should be with . . .

Ms. Sproule: — I think most good plans are constantly being reviewed, and in fact a good friend of mine says you have to have a plan so you can change it. So I'm just wondering if that plan is actually written down. Is it in a document form or is it just in your head? Or where is the location, the physical . . . where can a person physically find your climate change plan?

I just want to refer you, before you answer, on page 545 of Estimates from last year on Mar 31st, 2015, I referred to this plan, and I refer to it on page 25 of the *State of the Environment* report. So this is your report from your ministry or from the government. It's on page 25 and it talks about the climate change plan. And I just want to find the quote to make sure I've got it: "the provincial climate change program." So it was referred to there as a program and it talks about what it will do, but I just, I just wonder can you provide the committee with what the plan is?

Hon. Mr. Cox: — The plan or the program that we've been working on and talking about in our ministry is certainly kind of based on three things: number one, I guess, adaptation to any changes that may be. And of course innovation, and I guess I don't need to tell you about that. We've heard enough about that in the Assembly over the last several months. But of course I certainly believe in it, and I think a lot of people do, and we've heard a lot of great comments about it. And I think it can be something that's not only important here in Saskatchewan but globally as well, and I do truly believe that.

And then I think the third thing that we're looking at is change to personal behaviours, and you know, other methods that we can reduce our contributions to the greenhouse gas emissions. Those are the things that we're looking at in our program.

Ms. Sproule: — Do you have any targets that you can share with the committee?

Hon. Mr. Cox: — Our target, as has been stated I think in past years, is 20 per cent reduction from 2006 levels by 2020. It's a goal that was I think pretty ambitious at the time it was done, and it's going to take a lot of concerted effort to attempt to get to that.

Ms. Sproule: — So how are you getting there?

Hon. Mr. Cox: — Well I think just by the things that we just talked about and the work that we're doing on the pan-Canadian framework, the work that we're doing with our greenhouse gas reductions with regards to coal-fired electricity. We're going to continue to work with some of our high emitters. We know that that's a situation here in Saskatchewan with it being a resource-based economy, that we do have to look at those

factors. And all of those things combined are going to get us to hopefully that goal.

Ms. Sproule: — I understand that. I'm just looking for a little more specificity. You mentioned the GHG project down in Estevan. We know that's less than 2 per cent, so that leaves us 18 per cent. In terms of adaptation, what concrete programs have you got in place up for 2020, which is only four years from now? And what percentage of greenhouse gases do you anticipate will be reduced by your adaptation? So what specific programs and what percentages?

Hon. Mr. Cox: — These three things that I just highlighted there now are just something that we've started to work on here in the last few months, and there's going to be work done on that. In fact there's work being done daily on that. There will be a report coming out hopefully in the very near future outlining, you know, what our targets are going to be and what we need to do in all three of those aspects of the program. But I don't have any concrete numbers for you today.

Ms. Sproule: — With all due respect, Mr. Minister, this has been the government's plan for several years now, and you want me to understand that you've only started working on it in the last few months? Is that correct?

Hon. Mr. Cox: — As far as putting it down in this sort of a form, yes. I mean, we've been working on this for quite some time in the climate change branch but we're now putting it down, isolating it into columns, if you will, the three prongs that we need to tackle.

[14:45]

You know we're . . . we realize that we've got a long ways to go. But until we can formulate some of this stuff, I don't think we're going to know how we're going to get there. So I think this is a step in the right direction. And I guess I can hear what you're saying, that maybe this has been ongoing for some time, but I can assure you that I think this is the proper way to get to it.

Ms. Sproule: — I just want to share with you a quote from your predecessor on March 31st, 2015. The Hon. Mr. Moe said the following. This is in relation to climate change:

With regards to some of the other sector-by-sector efforts that are happening, first of all I'd just say that we are in mid-discussion, if you will, or mid-stroke on the discussions that we are having with a number of different participants in industries.

So it was ongoing then; it's ongoing now. Can you tell me what progress has been made in the last year since Minister Moe indicated that he was mid-stroke on discussions with different participants? Like which participants are they, and where is the status of those discussions?

Hon. Mr. Cox: — Okay, some of the things . . . I guess one of the things that's happened . . . And this is not to off-load it, but there's been some significant changes in the federal government's direction. And so we've had to go out and reset some of our negotiations with the sectors that we're working

with, so that's been part of the problem.

But you know, I think we have made some progress in some of our areas. We talked about Boundary dam 3. We've also, I think, as you're aware, talked about 50 per cent renewables in SaskPower by 2030, and that's pretty significant. We've also changed the regulations with regards to methane gas being emitted.

We're continuing our work, again, with the federal government on the equivalency agreements starting with the coal-fired power plants. And then as they develop their sector-by-sector regulations, we will continue with equivalent agreements in those sectors as well.

Ms. Sproule: — I appreciate, Mr. Minister, that you're still . . . This is your first year in there and you've inherited a lot of these commitments from previous governments. And I don't know what year the 20 by 2020 was introduced, but I think it was at least as early as 2010. I can't remember exactly what year, but I think it was in that time frame.

But in my specific question is . . . And I want to look at all three of these pillars that you've referred to and get a real sense of what exactly you're working on. And I think I asked earlier on adaptation. So in terms of programs and percentages, do you have . . . Like of that 20 per cent by 2020, we know you've hit 2 per cent, just under 2 per cent, with the carbon capture on Boundary dam 3. So that's 2 per cent.

In terms of adaptation, what are . . . You know, a lot of this is aspirational but you're not giving me anything concrete. And I appreciate that there's been changes in federal government direction but that certainly shouldn't affect your targets in terms of how you're going to reach and achieve that goal. So I feel like you're talking more aspirationally.

Yes, 50 per cent by 2030 is great. But if you look at this year's budget we're only, I think, 4 per cent there, or 2 per cent there on that aspirational goal. So in the next 13 years, I think you're going to have to increase it by . . . What are we at now? 26 per cent? So that's 24 per cent. You've got to go farther than the Cowessess project this year. It's got to be much higher if you're going to actually reach those goals.

So I think in order to reach a goal, you have to have a plan. And you're telling me that there's three pillars but I would like you to sort of point out for the committee, under adaptation, how it is you intend to achieve reductions in greenhouse gases.

Hon. Mr. Cox: — And that's going to be very difficult for me to do today, Ms. Sproule, because again, we're working with a pan-Canadian framework. And because of the resets that we've done . . . It's not that there hasn't been anything done in the past but we are now changing, if you will, changing direction a little bit. So we're starting this again. Or I shouldn't say that. Not really starting it again, but we are resetting what's been done. And we have not formulated in item form or written-down form what these different aspects are going to look like.

But I guess I would say if I may right now, you know, you talk about Boundary dam 3 and only accounting for 2 per cent. I think there's other factors in Saskatchewan here certainly, and I

guess I think about agriculture as one. And very little attention has been paid to the value of the carbon sinks in the agriculture industry. I think in 2013 or '14 that amounted to about 11.4 million tonnes of carbon that was sequestered in agriculture. Some of those things I think we're maybe getting shortchanged on. They aren't being measured.

So I think there's progress being made in a lot of ways. And certainly there's a lot of work to do. I'm not denying that. And we're going to continue to do that. But we need, further to what you said a few moments ago, we have to have a plan and we have to have a plan that we can follow. And that's what we're formulating.

Ms. Sproule: — When do you anticipate your plan will be in place?

Hon. Mr. Cox: — I think we will see a plan that we can follow probably, I'm going to say — and I'm committing some other people here; I know that — probably before the end of the year I would think we should have.

Ms. Sproule: — In terms of adaptation, what types of programs would you be looking at in that one pillar? Like what sort of programs under adaptation would achieve reductions in greenhouse gas emissions?

Hon. Mr. Cox: — I envision the adaptation part of it to be more mitigation to deal with such things that are, you know, caused by climate change, whether it's, you know, dealing with our resiliency to respond, those sorts of things. I think that's going to fall more under the adaptation part of it. Again we're just formalizing that.

Ms. Sproule: — Yes, I would think you've got officials that have thought about this for many years now. So in terms of adaptation, that has nothing to do with reduction of greenhouse gas emissions, but rather adaptation to living with higher greenhouse gas emissions. So that won't help with the 2020 goal, then. In terms of change to personal behaviours, would you include high emitters in those changes? Or is that just individuals?

Hon. Mr. Cox: — Without seeing the formalized plan, in my mind any human activity that contributes to greenhouse gases would be lumped in with that, because that's all part of our behaviour in my opinion.

Ms. Sproule: — So would you say in terms of programs and percentages on that third pillar, change to personal behaviours, what types of programs would you envision would actually achieve a reduction in the emissions, greenhouse gas emissions that Saskatchewan is the highest per capita in Canada for?

Hon. Mr. Cox: — Again I will refer back to the work, the good work we're doing in Boundary dam 3. That's one step. Now whether we go further with the further reductions in that department, the 50 per cent reduction by 2030 with SaskPower, the more wind and more solar, the more geotherm we can get to produce electricity in this province will help us get there. I think continuing innovation and technology in the Ag sector will also help. I think we're going to see more and more sinks available in the agriculture sector. Those are some of the things. To give

you some exact figures at this point in time, of course you know, I can't do that but . . .

Ms. Sproule: — I'm just going to pull that out again. I've misplaced your climate change plan. It will take me a moment to find it. Going back to carbon sinks for agriculture, obviously every time carbon's sequestered, that's a significant thing. And certainly every producer I've been talking to and agricultural organizations are very keen on ensuring that the work that agriculture does in terms of carbon sinks is recognized when we get to a point if in fact there will be carbon pricing regimes put in place. That doesn't take away from the fact that we are still emitting carbon over and above that. We are emitting carbon at a highest per capita rate in Canada.

And I know last year your predecessor made considerable effort to talk about decoupling the economy from the emissions rate. That doesn't take away from the fact that we are still the highest per-capita emitter. So even if you take into account that there are significant carbon sinks . . . And certainly our northern forests are as well and we know that that's an incredibly important part, the boreal system, for making sure that whatever human activity does cause, we at least have some natural systems that will at least help alleviate some of that.

But in terms of the plan to reduce . . . You're maintaining that that's still your target, 20 per cent in reduction of 2006 levels by 2020. What kinds of programs would you see . . . Now you mentioned Boundary dam; we've talked about that already. But what other programs do you see coming in from your ministry that will change personal behaviours to start moving towards this goal of 20 per cent? Is there any programs at all or any ideas that you might have under that area other than carbon capture and sequestration?

Hon. Mr. Cox: — I think a lot of these initiatives certainly can be cross-government initiatives that can be undertaken. And you know, I think of part of what we need to do is work on promoting tech and innovation. We can promote a lot of different emissions reductions in our transportation and industry. I mean there's maybe co-operative things that can be done there that will reduce, let's say shipping, whatever, change our transportation patterns in our cities.

Having said that, we are a pretty rural province of course. We only have two major cities. And I think our opportunities there are maybe are a little more limited than what some provinces would be, like Quebec or Ontario that they're looking about, I think, 42 and 44 per cent of their emissions come from transportation, and ours is, well, about half of that, I understand. So I think there's limited savings there, but there can be some savings and part of it's going to be to make everyone aware of that. And that's something that we have to work on from this ministry and other ministries as well.

Ms. Sproule: — So in terms of promoting technology and innovation, what sort of things can your ministry do there to promote technology and innovation?

Hon. Mr. Cox: — I think, you know, that goes back to an answer that Erika gave a minute ago about the economic modelling that we can do. If we can indicate to people that there's some economic benefits to some of this stuff, and

certainly you've referred to this in the past lots of times, that there is value in green jobs and there's value in those kind of things. And certainly that's going to be part and parcel of what we're doing here. But I see our job as being or at least helping to identify some of those viable options that we can use going into the future, and all of those things will tie together to certainly help get us to that goal.

Ms. Sproule: — Yes, again that's a fairly aspirational goal to be able to identify those options. I'm kind of feeling I'm not getting anywhere here because I'm really looking for concrete actions and plans, and I think your answer's been pretty consistent. There's absolutely no concrete plan. There's no concrete programs that you can offer. There's no concrete targets, other than we hope we can meet the 20 by 2020.

[15:00]

You haven't been the only one that's said that. Minister Cheveldayoff back in 2012, 2013, I think he says this: "Thanks very much for the question. Once the Act is through the various stages of legislation, we begin by looking at the regulated emitters." And this was the technology fund — and I do want to raise some questions about that — but he said money won't "... flow into the technology fund until early 2015 ..." That's 18 months ago, and you are nowhere near getting anywhere near a technology fund, which many other provinces have done. So even this federal framework that you refer to that's new, other provinces have made significant strides in terms of finding that funding to support the innovation that you talk about.

So let's maybe move into *The Management of Greenhouse Gases Act* and the fact that this chapter is still missing in action. First of all Minister Heppner, when she was minister of Environment, talked at great length about how this was going to be a game changer in climate change, the technology fund and the subsequent climate change foundation. And then we had Minister Duncan making the same assurances. And then we had Minister Cheveldayoff doing the same thing. And last year it was Minister Moe.

So I'm very interested to hear from you, Minister Cox, about what your views are on when the technology fund will be up and running, when we will be able to access funds through these high emitters to ensure that the innovation that you're talking about, the adaptation, and the changes in personal behaviour begin. So please share with the committee what the current thinking is within your ministry, as the fifth minister to talk about this, where this technology fund is. And if you're just going to say, well we're waiting for the feds, that's not good enough. I think we've heard that before. Other provinces have not waited for the feds. So is there anything new that you can report to the committee on this area?

Hon. Mr. Cox: — Well number one, it is a fact we are waiting for the feds. The feds have said, number one, we can't use the tech fund with regards to coal-fired electricity plants. So that is not on the table at this point in time.

We passed that Act, you're right, in 2010 and amended it in 2013 and haven't proclaimed it because of changes in the framework. And that is the absolute fact, that the changes in the

federal framework, until they indicate to us what their sector-by-sector goals are going to be or limits are going to be, we cannot proclaim that Act. And we can't proclaim that Act so we can't implement. If we do decide to implement the tech fund, it will be done in part of that Act, as well as any equivalency agreements that we would negotiate with the federal government would be done after proclamation of that Act. But the fact remains is that we're waiting for the sector-by-sector from the federal government.

Ms. Sproule: — Would you consider repealing the Act and doing what other provinces have done? There's a number of provinces that have made significant gains and recent announcements. In Alberta for example, they're not waiting for these federal equivalency agreements. So what is it that other provinces are able to do that you can't?

Hon. Mr. Cox: — I'm not sure what other provinces do, and I'm not sure what amount of their electricity is produced from coal or what their situation is. Saskatchewan is somewhat unique, and I think we've been recognized for that by the federal government, by the federal minister. He's been very forthcoming with that, realizing that there's no one-size-fits-all across Canada.

And I think that would kind of speak to your question a little bit, that each jurisdiction's going to be different. We have a very sparse population. We're a resource-based province and we're an export province. And I think some of the situations here are certainly different than they would be in Alberta or British Columbia or Quebec or Ontario. So it needs to be ... We've done a lot of work in formulating that Act, and I think once the federal government do get their sector-by-sector, we will be ready to move ahead at that point in time.

Ms. Sproule: — Yes, I absolutely agree with you that Saskatchewan is unique in the way we ... And I think that was observed even in The Conference Board of Canada's report. There's significant factors in terms of our climate, the way our population is distributed throughout the province, and I think you spoke to that as well in response to that report.

So I'm not ever going to suggest that we would have a cookie-cutter approach across Canada for dealing with making strides forward in reducing greenhouse gas emissions.

Now you speak a lot about electricity. And I was just looking for the actual mix. I think coal ... Obviously renewables is 26 per cent right now, and I know for coal it would be fairly close to that number as well. But there are other areas where we can make changes, and oil and gas, mining industries, the heavy emitters ... Agriculture is 16 per cent of our emissions as of 2012; business transportation, 15 per cent; personal transportation, 6 per cent. Residential emissions are 2 per cent. And I didn't mention that the percentage for oil and gas and mining industries is 34 per cent.

So coal is a very small part of that. It's an important part of that. And it's important that strides are being made, but I would like to hear our Ministry of the Environment talk about the whole spectrum and not just about the coal. And certainly ... I just want to share with you one of the comments that your predecessor, Minister Moe, said last year. I was talking about

the changing in wording and the description of vote (EN06) and he said, they're not really big changes. It just reflects the direction our ministry's taking towards meeting our targets. And now I'm quoting:

We are now in year 2015 in our effort to meet those. Those efforts are going to continue, as I mentioned earlier, with some of the effort that we're doing around the work with the federal government on working towards equivalency agreements on the sector-by-sector basis, again beginning with the coal-fired electricity sector, of which the intent is to meet the emissions targets that will be set through the equivalency agreement with the introduction of the carbon capture and storage.

Anyways, I guess my question is, where are you on those equivalency agreements and how many sectors are you working on these equivalency agreements? Is there any positive progress since 2015 or 2014 or 2013? I mean, it's been a number of years. So where are you on these equivalency agreements?

I also note on your page on climate change, on your website you indicated there was a federal-provincial meeting in March on climate change. I'm wondering if you can give us an update on that meeting as well, and when you expect to see actual results, although I don't suppose you have an answer for that.

Hon. Mr. Cox: — Are you referring to the meeting in Vancouver on March 3rd?

Ms. Sproule: — I don't know where it was. On your web page it says:

Saskatchewan will participate in a subsequent federal-provincial meeting in March on climate change, when the federal government is expected to further discuss its plans for GHG mitigation. Once the federal position is understood, Saskatchewan will develop the legislative and regulatory tools needed to help identify and achieve provincial targets, recognizing both regional challenges and opportunities.

Hon. Mr. Cox: — Okay. I talked to, a minute ago, about some of the working groups that have been formed, and that was actually what came out of that first ministers' meeting — or leaders of the confederation, whatever it's called now — meeting in Vancouver, was they formed those working groups. And that's why, you know, I couldn't give you a definitive answer of what's been accomplished with those groups yet. They have been instructed to report back, I believe, in September of this year with the findings and what direction we can go with some sort of a pan-Canadian structure.

As far as your question regarding how many sectors are we working with as far as equivalency goes, we started working with, as a result of the new federal regulations regarding methane gas, we've started working on equivalency agreements for the oil and gas sector, would be the first one probably that we're going to work on. And that would be our next part of the equivalency agreements.

Ms. Sproule: — Okay. One of the things that your predecessor said in March of last year — which is what, 15 months ago or

14 maybe? — he said:

With regards to emissions in other areas outside of coal-fired electricity and power generation I suppose, which the coal-fired electricity generation is the first sector that we are working on with the federal government, but with regards to emissions from other areas, as I mentioned with some of the overview of our budget, some of the opportunities that we're looking at with regards to the performance agreements — the potential for offsets, opportunities for sector-specific reduction in greenhouse gases — those conversations are ongoing, which I guess ties into the third question or what are we doing with other emitters as we're actively discussing with them where the opportunities are, and how we would be able to achieve a reduction of those opportunities as we . . . [go] forward.

And he goes on to say later, this is another quote:

And so what we are doing in the other sectors — whether it be business, transportation, agriculture, oil and gas, and mining industries — is looking where our emission reduction opportunities are in those sectors . . .

So a year ago the conversations were ongoing. There was active discussions where opportunities were. There was looking where the opportunities are. I'm just wondering if you could give us an update in the last 14 months, has there been any sort of concrete — I keep using that word — but positive action on any of these discussions at all or are they still in the discussion stage?

Hon. Mr. Cox: — What I think my answer to that is going to be similar to what I answered a few minutes ago here, with regards to the regime has changed. There's been a shift in focus, and some of these things have, we've had to go back and shift our negotiations, but the work is ongoing still. We're still discussing it, but because of that, you know, I guess . . . I realize you may be a little frustrated with this, but there hasn't been a lot of concrete action that I can tell you about today that's been accomplished because of those shifts.

Ms. Sproule: — Yes, I have to admit I was looking for a little bit more. Can we talk a little bit maybe then about Directive S-10 and S-20, which the Ministry of the Economy passed regarding venting and flaring? And I'd asked Minister Moe last year about the performance agreement in that area. He said there was active discussions with two individual companies at the time in the oil and gas sector, and I had asked what percentage of emissions were they responsible for, those two companies. He didn't have that answer then. I'm just wondering if you have the answer now.

Hon. Mr. Cox: — Okay. Again, and we're kind of going back to the same answer every time, but because of that shift, because of that change, a lot of the negotiation, a lot of the work that was done on that, sort of has been all for naught because of the changes. The consultation is going on, on the methane gas end of it, and there will be more coming out. Then the equivalency agreements can start to be discussed at that point in time.

So to answer the question of where we're at, as far as what

percentage those companies were and the work that's going on as well with the Ministry of Economy, of course because they regulate those gasses, that's as far as we've got at this point in time. We're almost at the point of where we're continuing to negotiate, starting back with the new regulations, the new direction that the federal government's going.

[15:15]

Ms. Sproule: — Well thank you very much, Minister, and I sense a bit of frustration in your voice as well with the state that we're in. Obviously this isn't progress that we were hoping to see, but you sound hopeful as well, so I guess there's not much more I can ask you about in this area.

On the third pillar that you talk about though, I'm not sure that we would even require equivalency agreements or anything along that line in order to just encourage people to personally — or I guess through companies, as you said — to reduce their emissions, just changing personal behaviours. In 2014 your pre-predecessor said this. He said:

... we continue to have those goals in place to work with different emitters to try to encourage them to reduce their emissions. Is there more work to do? Absolutely. Is there more to learn? Absolutely there's more to learn, and that's why we look forward to continuing information that we gain from ...

So I'm just wondering what it is you're doing outside of these equivalency agreements and the new shift in focus, in terms of just encouraging reduction? Is there anything your ministry is doing at this point in time?

And just one more quote I wanted to share is Minister Cheveldayoff also said, "We're trying to offer support where we can ...". So what kinds of supports, what kinds of programs, what kinds of encouragement do you think your ministry is engaged in at this point in time?

Hon. Mr. Cox: — Okay, thank you. I guess in response to your comments, Ms. Sproule, I'm not, I don't want to come off as being frustrated. I guess in my brief time here, I think we've done some excellent work in this Environment ministry. I mean we can go to different directions. We can go to our drainage rigs. We can go to some things that we're doing in wildlife. We can go to things that, you know, our people did an awesome job in the wildfires last year, so I'm not totally frustrated certainly.

I realize these things take time and I think — and believe me, I'm not meaning to off-load this on the feds all the time — that has been a definite factor in delaying some of these things that yes, I would like to see them done too. And I would like to see them done as quickly as possible, as I'm sure you would. But that's not the impression that I'm meaning to give. I've been very satisfied with a lot of the progress that our officials have made and everybody in this ministry.

So okay, to answer your question, you know, we're trying to work on an inventory of things that we can promote to the public that will help. You know, we talked about transportation. We talked about at length, of course coal-fired, ways that we can capture, ways that we can work on sinks into the future, not

only in agriculture, not only in forestry and other areas, opportunities for other ways to reduce our emissions.

And a lot of these things I feel very confident are going to come out of the pan-Canadian discussions, out of those working groups. Those working groups cover pretty much all aspects of what needs to be important in reducing our greenhouse gases, not only in Canada but I think globally. I mean this is going to be part of what we're doing. And I know Minister McKenna has very strong ideas of what direction we need to go, and I'm sure that comes down from the Prime Minister as well.

But I think as we see these working groups formalize their ideas, then some of that pan-Canadian framework we can adapt here in Saskatchewan. Some of it we won't because, as you've said too, cookie cutters don't work, but I've had very good assurances from our federal minister that she will be cognizant of some of the differences here in Saskatchewan from what other provinces are.

Ms. Sproule: — Yes, I think there is so much we could be doing locally as well though, and that's the piece I feel that's missing right now. Under the Go Green Fund, there were a number of initiatives for individuals here living in Saskatchewan working, raising families, doing their thing. There were opportunities for them to be innovative and make changes to their personal behaviour, and that was through incentivizing them through the Go Green Fund. That's been completely wiped out. And other provinces have these things, and I don't think, you know, our differences as a province would prohibit us from at least trying on a local level within the borders of our province to try and encourage people to make changes. And I think wetland destruction is a good example of that. We don't need to have an equivalency agreement with the federal government.

So it is, you know ... I'm disappointed, I guess, at a minimum that you aren't able to identify anything your ministry is doing on reductions in greenhouse gas emissions outside of sitting at these tables. But I guess your answer is there's nothing for anyone to take away from this in terms of changing their own behaviour, despite the fact that Minister Moe and Minister Cheveldayoff said you are actively involved in those discussions with high emitters. And not so much on a personal level, I don't think; we haven't seen any programs there. And there were active discussions last year with two oil and gas companies, and that's all gone now because of the change in the federal government. I don't think there's a question there, but if you want to comment.

Hon. Mr. Cox: — I guess the only thing that I'll pick up on what you said there was with regards to the wetlands. And I think you're ... We may get to this later this afternoon, I'm not sure but ... With our drainage regs, we are going to reinstate a lot of wetlands in this province because of the illegal drainage that we're going to be either having to get approved or it will be closed. We're going to create those wetlands, and I think everyone here knows that wetlands are very important as a carbon sink. Maybe it's a small thing, but it is a thing that we're doing.

And there's some other things that are going on, you know, programs that we are initiating. Unfortunately, as you

mentioned, talking about the large emitters . . . And yes, we maybe have lost some ground in that department, but I think we're going to gain it back by working cooperatively with other provinces and working on the pan-Canadian framework. I think you're going to see us catch up very quickly.

Ms. Sproule: — I appreciate your optimism. Going back to the economic analysis modelling that Ms. Ritchie referred to earlier, how many FTEs within your ministry are devoted to economic analysis and modelling?

Hon. Mr. Cox: — At the present time, there's five FTEs.

Ms. Sproule: — Are they economists? Is that their background?

Hon. Mr. Cox: — Three economists, two engineers.

Ms. Sproule: — Thank you. Again, I just find it interesting that our Minister of the Environment is doing economic modelling and our Minister of the Economy is regulating emissions. Do you see any . . . Like what is your relationship with the Ministry of the Economy? Do you meet regularly with them to talk about these economic models, or is that something that's insular to your ministry?

Hon. Mr. Cox: — Yes, we certainly do, both at the minister level and the deputy minister level. And I think the officials do as well, meet with the . . . You know, because you're right. There is overlap there, so we need to be in constant communication.

Ms. Sproule: — Okay. I'm going to change gears for a bit here. Why don't we go to the multi-material recycling program. We know you had a press release in October regarding the implementation of the program. I believe it did start up on January 1st of this year, so maybe just give the committee a general update on what's going on with the MMRP [multi-material recycling program].

Hon. Mr. Cox: — Yes, and that's another one of the initiatives that I'm quite happy that it has moved forward and, as you know, it did take a lot of time for that as well. I think it started in about 2008 before finally we got it off the ground January 1 of '16. Some changes were made on December 18th, I think, of 2014 which caused a bit of a delay, and you're aware of those, I'm sure.

So we started off in phases, three phases. The first phase is the businesses under 5 million, I believe it is, two to 5 million for the first . . . It was going to be a two-year program which, because of the delay, started in January 1 of '15, wraps up in December 31 of this year.

And then we go to phase 2, where we bring in businesses that are over the 5-million range. And the third phase, it will be run completely by MMSW [Multi-Material Stewardship Western], and the fees to the municipalities will be equivalent to cover their costs of running the program in the phase 3.

Ms. Sproule: — In terms of phase 2, or maybe we'll go back to . . . How many businesses are actually registered now or participating in the program?

Hon. Mr. Cox: — 459 are registered at present. Oh I'm sorry, that's the municipalities that are signed up. Sorry, I'll get to the businesses.

Ms. Sproule: — Okay.

Hon. Mr. Cox: — I can't locate that number right now. We will get that number back to you.

Ms. Sproule: — So of the first phase, we have the large businesses that are required by law to be in part of it. The phase 2 is the transition for the people who got the year benefit. How many . . . well I guess you may not have that number either, but how many businesses do you anticipate will be required to sign up on January 1st, 2017?

Hon. Mr. Cox: — I don't have a sense of that yet. The committee has been working closely with them and, you know, handling some of the objections, if you will, that they had or questions they had about the program. And you know, I realize we're about six months away from that deadline, but there has been good response. But it's just really . . . At this point, I couldn't give you a definitive figure on that.

Ms. Sproule: — So I'm reading through a press release and it said that these, the second tranche, are required to register with MMSW and contribute a 500 annual flat fee. Is that . . . Are they required to register now? Or they will be required to register as of January 1st, 2017?

Hon. Mr. Cox: — Yes, I did find that figure. There are currently over 400 stewards registered in the program. I thought it was about roughly the same amount.

And in response to your question, they start paying the 500 right from the start, and it's paid directly to MMSW.

Ms. Sproule: — But you don't know how many of those second-level companies there are yet?

Hon. Mr. Cox: — No, because it's paid directly to MMSW.

Ms. Sproule: — How would that be enforced if a company just didn't pay? How would they know that they're not getting that \$500?

[15:30]

Hon. Mr. Cox: — We're still working in collaboration with MMSW to work on, should that eventuality happen, that somebody needs to be brought in that doesn't want to be brought in. So as we get closer to that deadline and, as I say we're working with MMSW, we'll have that plan in effect.

Ms. Sproule: — Do you anticipate the ministry will have some sort of compliance and enforcement role?

Hon. Mr. Cox: — Yes, we are prepared to do that.

Ms. Sproule: — And I guess, how do you anticipate these companies will be identified because it seems that they're still voluntarily coming forward with that \$500 fee? And they have to . . . they won't be required to report their tonnage anymore

because I think that in and of itself was a burden for those companies. So is it just based on their annual revenue? Will you get their figures from the income tax department, or how will the monitoring enforcement even work? I'm just . . . I have some questions.

Hon. Mr. Cox: — Okay to determine who needs to be included in the program or not included in the program will be MMSW's responsibility as part as their PMP [project management plan]. We will maintain the regulatory oversight, but the ultimate will delegate down to MMSW to make sure that the people that should be or the businesses that should be in, will be in. And that's up to them under their PMP.

Ms. Sproule: — So if I understand correctly, we know who's required to fully . . . well we don't even know who that is. Businesses that generate \$5 million in gross annual revenue and do not fall into any of the exemption categories are required to fully participate in MMRP. So how will that company gain knowledge to know whether a company, a business generates 5 million or not? Will they have access to their income or their annual financial statements, or private companies will have to disclose their revenues. Is that how that works?

Hon. Mr. Cox: — That part of the program is outlined in the PMP that that is something that MMSW will be responsible for, and I understand they're doing it in other provinces. And that's not something that I'm aware of, how they're going to go about it, whether they get the information from local businesses or estimation or what they do, but that's part of the regulation in the PMP that they have to do.

Ms. Sproule: — All right, thank you for that. Just looking now, going through your plan for 2016-17 from the ministry, I guess what's really notable in this plan in its absence is there is absolutely no mention of climate change or greenhouse gas emissions at all in this year's plan. Is that something that was deliberate?

Hon. Mr. Cox: — Is this the one you have?

Ms. Sproule: — The plan for 2016-17, yes.

Hon. Mr. Cox: — I guess the first one, ministry goal is "Reduced risk and harm from environmental contamination." I think that can be all-encompassing, in my opinion. Over on the last page: "Advance Saskatchewan's climate change strategy with a focus on regulatory certainty, technological innovation and environmental resiliency."

Ms. Sproule: — What page is that?

Hon. Mr. Cox: — That is on page 6.

Ms. Sproule: — I'm sorry, which goal? I don't have the page . . .

Hon. Mr. Cox: — Under key actions, I'm sorry. The second arrow.

Ms. Sproule: — In the goal to increase regulatory certainty and transparency? I guess there it's focusing on certainty under regulations, but certainly nothing about reducing . . .

Hon. Mr. Cox: — Well it's a key action, I guess. Okay?

Ms. Sproule: — How are you hoping to achieve that this year?

Hon. Mr. Cox: — I'm sorry?

Ms. Sproule: — Under that key action is an action that you're planning for this year. How are you hoping to achieve that goal for that action?

Hon. Mr. Cox: — I think the answer to that is something we've been talking about here for the last little while, is some of the things we're doing not only with regards to the greenhouse gases but in other aspects. We just talked about the MMSW, reducing material that goes into our landfills. We've talked about our drainage regulations. We've talked about our work on the pan-Canadian framework, you know, our pan-Canadian framework with the Canadian government, what we're doing there. I think these are all going to be key actions, in my mind, that are going to be worked on over the next several months to get to where we need to be.

Ms. Sproule: — And how do those all tie in, like MMRP, how does that tie in . . . Well what is your climate change strategy? I mean is that still the 20 by 2020, is that what you would describe as your strategy? And the multi-waste recycling would . . . How does that get you to a reduction in greenhouse gases?

Hon. Mr. Cox: — Okay I think all of these things work together, and there's also a lot of cross-ministry things that we're doing, you know, to reduce the effect of government's contribution to greenhouse gases. But if you want to talk about, you know, our drainage regs, and I mentioned this earlier that if we do end up closing quite a number of illegal works — which I anticipate we are going to — we're going to put back on to our landscape a lot of wetlands that were drained many, many years ago. That's going to be a help.

MMSW is going to reduce the amount of waste that goes into our landfills, and of course we know that there's methane gas released there. We're going to reduce some of that. All of these things are going to tie in. Whether we can measure them or not, I don't have that answer. I don't know that right now. But I do know that it's all going to work together to help, and I think that's, those are some of the actions. Yes, we can look at the big items too, but I think all of these smaller items are definitely going to be helpful for us to get to our goal.

Ms. Sproule: — Okay, there's another term in that bullet that you've pointed out and it says, environmental resiliency. Can you explain to the committee what that means?

Hon. Mr. Cox: — That's part of those, if you will, those pillars that we talked about earlier that, the adaptation and resiliency to events that may or may not have been contributed to by climate change.

Ms. Sproule: — All right. So again this strategy may not be to actually reduce — well that's part of it — but certainly part of your strategy is how to deal with certain changes to the climate or eventual changes to the climate.

Hon. Mr. Cox: — I think that's a reality that we live with.

Ms. Sproule: — So in terms of advancing your strategy on that particular item, what is the key actions that you're planning to do on that?

Hon. Mr. Cox: — On the resiliency?

Ms. Sproule: — Adaptation resiliency, yes.

Hon. Mr. Cox: — Okay. Again that would be the same answers I gave a little while ago that this work is ongoing. It's just begun in recent months, so as we move forward we're going to have this outlined. And then at that point in time, we will make some definite concrete plans and some ideas on how we're going to get to where we want to go. But at this point in time, I can't give you any exact actions at this point in time.

Ms. Sproule: — Thank you. Now under this same goal, one of the key actions is to promote commercially viable . . . Am I on the right forestry sector? Increase regulatory confidence. Sorry, it's a different one. Sorry. In the '15-16 plan, there was a key action regarding a commercially viable forestry sector. In this year . . . Oh that's no longer a key action. That's, sorry, I'm confused here.

You had a plan regarding a commercially viable forestry sector or a key item, but that's not there anymore. So can you let the committee know why you've removed that key action from this year's plan? It was in the 2015 plan, but not this year.

[15:45]

Hon. Mr. Cox: — Okay, a couple of things about that. You know we, in this very brief document here, we tried to itemize the key issues that we think are definitely high on our list of things that we want to accomplish. But that doesn't mean that we've abandoned any of the other ones. And I think, if you look at the key actions again, to maximize sustainable allocation and harvest of natural resources, that's where we've . . . We've put the forestry sector into that and certainly we're going to continue with our work with forestry as we talked about with the not-sufficiently regenerated areas, those types of things. We know the importance of forestry to this province.

Ms. Sproule: — I believe that was in your 2015 plan as well, according to the notes I have. So what's missing is "promoting a commercially viable forest sector through a reliable forest inventory, diversification of forest products and businesses, investment in research and by encouraging sustainable use of biomass." You're saying that's no longer a key action but it would be actions that the ministry is continuing to promote?

Hon. Mr. Cox: — It absolutely is going on. In fact, we've just embarked on another program to do some key photographing of inventory plots, I think 49 different plots in the province that we're now inventorying. And those are things that we're looking at so we can measure where our forest was over the last ten years, where it is now. And those are the kind of things that are ongoing projects that we will continue to commit to.

Ms. Sproule: — Okay, thank you. Just one question. I'm sure there's a good answer for this. In 2015-16 in your plan, your target for regeneration, percentage of forest renewal following timber harvest, last year it was 85 per cent. This year it is 100

per cent. What's the change there?

Hon. Mr. Cox: — As you know, there's legislation proposed right now where we're making some changes to the forestry Act. Prior to this time, the term supply licences weren't required for reforestation, only the forest management agreements. That's now been changed. And so that's why it will now be 100 per cent of whatever forest cut will have to be regenerated.

Ms. Sproule: — So TSLs [term supply licence] only make up 15 per cent of our cutting?

Hon. Mr. Cox: — That would be accurate.

Ms. Sproule: — All right, thank you for that. There's one question I've been meaning to ask. It's random, but in the discussion we had last week, or was it . . . In the media they were talking about the new proposed potash mine, the Yancoal mine, and there was a question asked about saline content. And I think you indicated — I didn't hear the interview, but someone said that you had indicated that the regulation and enforcement of saline content is not within your ministry and that it's in the Ministry of the Economy. Is that correct or . . .

Hon. Mr. Cox: — The only reference I might have made . . . I think someone asked me the question with regards to using Quill Lake water in the saline potash mine and I responded that it's a different saline; like we couldn't just pump water out of Quill Lakes down the mine. It would still have to be processed, refined, whatever before it could be used. Now that may have been what it was, Ms. Sproule. I don't know.

Ms. Sproule: — Okay. Then I'm . . . That's a goose chase and I'll just leave it as it is. It was . . . I heard it but I didn't actually hear you say it, so . . .

Hon. Mr. Cox: — Now, unless they were talking about deep well injection.

Ms. Sproule: — Is there a regulatory scheme for deep well injection?

Hon. Mr. Cox: — It has to go through an environmental process as well.

Ms. Sproule: — Then that's the oil and gas industry. That's not the potash.

Hon. Mr. Cox: — No, but if they were looking at deep well injection, for example, from one of the alternatives at the Quill Lake situation, we would have to have approvals to do that. Right.

Ms. Sproule: — And which regulations would govern that?

Hon. Mr. Cox: — That would be environmental.

Ms. Sproule, I apologize. I misstated. It is Economy that looks after that deep well injection. We look after the surface water, so if there was a comment made maybe it came from there.

Ms. Sproule: — Okay, that's great. I'll be able to look that up

now and understand that better myself, so thank you very much for that.

I'd like to move on now to the recent report card from Conference Board of Canada, and I know you've commented publicly on that. One of the things I would like to get your response to is in terms of our report card on waste, and Saskatchewan is one of the worst-ranked provinces when it comes to waste generation. Only Alberta ranks lower. Saskatchewan produces over 880 kilograms of waste per capita and scores a D grade. I'd just like to get your reaction to that. And are there any plans or intentions in terms of this year's activities to address that?

Hon. Mr. Cox: — Towards that end, we presently have a waste management advisory committee, as you know, and we are working in collaboration with them and getting their input in there from SUMA [Saskatchewan Urban Municipalities Association], SARM [Saskatchewan Association of Rural Municipalities], from the North, members from around the province. And we will be formulating our waste management strategy going forward with the results of the collaboration with that group.

Ms. Sproule: — All right. Are there any allocations in the budget towards this particularly, or what sort of funds are provided to this advisory committee?

Hon. Mr. Cox: — At present the costs of that advisory committee are pretty minimal. A lot of it is being organized and coordinated by our own in-ministry staff that are doing that. So any budgeting that is needed is within our budget right now, will be used.

Ms. Sproule: — I do have to give a shout-out to a good friend of mine who is probably the least producing-garbage person I've ever known. She doesn't fill the bin more than once a year, and it's just by avoiding packaging and even recycling. So the trouble is is that there is no incentives for people to do that. And she feels . . . I think she's proud of the accomplishment, but there's . . . certainly the neighbour's bin is full every week when the truck comes. So you know, getting a D-minus I guess is kind of embarrassing.

I'm just imagining how much 880 kilograms of waste would look like if we could put it in a bin in the room here or whatever, but it's a lot. And people need encouragements and I think cities are probably responsible for encouraging citizens as well, because landfills . . . or communities, towns. I guess we'll look forward to the report next year on what the committee is able to achieve and hopefully we can move in the right direction on that one.

Another indicator that they commented on where we went worse than D, it was a D-minus. On a per capita basis the province does poorly on air pollution, all four indicators in air pollution, earning a D grade on sulphur oxides emissions, and a D-minus grade on nitrogen oxides, volatile organic compounds, and particulate matter emissions. Again your response to that, is this something that your ministry is concerned about or taking a look at? And what are the plans to address that, if there are indeed plans to do so?

Hon. Mr. Cox: — I don't have that Conference Board of Canada, Conference Board report in front of me. But I did look at it in detail and I guess as you said, I did comment on it. A lot of these figures I think that they gave to us . . . Number one, they changed some parameters, I understand, from the previous report that was done and that ended up putting us in a less favourable light — less, say, than we were in before. We've increased our air monitoring here in the province, and I guess I disagree with them. I think we've got excellent air quality here in Saskatchewan. We're now monitoring air quality in 18 different communities. We've increased that by two this year and we're going to continue doing that work. Our air quality health index I think is excellent.

And I wish I had that report here with me, but I don't, to comment more fully on what some of the things that they commented on. But I guess I don't totally agree with that. I guess what I'm saying, bottom line, is I don't really agree with what was, totally was in that report.

Ms. Sproule: — So you've indicated you're doing more monitoring of air quality. Are there any other programs that you're looking at to reduce the amount of, let's say, just the volatile organic compounds or particulate matter? If I understand correctly, volatile organic compounds are, I think, in paint, like household paint and off-gassing of those kinds of things. Are you looking at regulatory changes to require less impactful types of paints? Is that in the works?

[16:00]

Hon. Mr. Cox: — Yes, I guess I would just go back, step back a little bit here to where I was before talking about the report. I mean, based on the per capita basis I mean, it does show it being very high. But I think the total amount is still lower here in Saskatchewan than it is in some of the other places that they did, and obviously you agree with that.

We have regulations in place that regulate VOCs [volatile organic compound] and as well I think, as you said, in domestic paints, etc. I think the Sarcan program is certainly helping that, that you can drop off your paint at Sarcan. That's keeping all that paint which would have normally gone into our landfills, got spilled or got whatever, and it's there. I know in our own landfill at my nearest community, North Battleford, you are not allowed to take your paint there. So I mean that's, I think that's definitely been a step in the right direction to limit that. Again these are just some of the small measures that we're taking to get to where we need to be.

Ms. Sproule: — Yes. Small steps and large steps. I just want to go a little bit to, this is an order in council I just got last week. This is from the Ministry of Environment; it was passed on June 7th, 2016. And it was a number of changes to the wildlife habitat and ecological lands designation amendment, or it's amending the regulations. And I actually killed a couple of trees and accidentally printed the whole thing. I know.

But I've started to go through it, and there's a considerable number of quarter sections . . . it's hard because you have to compare what's being removed with, or what's left with . . . Sorry. You have to go through it line by line basically to understand the amount of land that we're talking about here.

So I'm just wondering. I haven't been able to . . . and if you could help the committee out — and me here — by just telling us, how many quarter sections under this order in council have been now removed from the regulations? And I think some were added as well. So if you could provide both sides of that equation, that would be really appreciated.

Hon. Mr. Cox: — I'll forgive you for destroying those trees. Okay, we've taken out 68,456 acres and we've put back in to date 11,442 acres. I don't have it broken down into quarters, but we can do that pretty quick.

Ms. Sproule: — Yes, sorry. 11,000 . . .

Hon. Mr. Cox: — 11,442.

Ms. Sproule: — And in terms of these lands then, can you advise the committee why they were taken out or put in? Like what were the general reasons?

Hon. Mr. Cox: — I think this goes back to the changes that were made several years ago to that Act. Some of these lands probably should never have been put into WHPA [*The Wildlife Habitat Protection Act*] in the first place. They're low-ecological value. Some of them were agricultural land, farm land, sowed down to hay or whatever the case may be. They were maybe adjacent to a town, adjacent to a recreational village or whatever, that should not have been in.

So under CLEAT [Crown land ecological assessment tool] they've developed the methodology to determine whether they're low ecological value, which can be sold; if they're moderate ecological value, they're sold but only with a conservation easement on it which will protect those lands forever, it stays right on the title; or if they're high ecological value, they won't be sold. And any of the land that we are putting back into the WHPA lands are high ecological value lands and they're also assessed.

All of this is being done in very close consultation with many, many non-government agencies — the Wildlife Federation, Ducks Unlimited, Nature Conservancy, those sorts of groups — and they're very much in favour of it, of what we're doing, you know, because we are getting high ecological value back into that program where it should be.

Ms. Sproule: — Thank you. And for the 11,000 acres that have been added back in, did you just comment on that or . . . I was distracted by looking at my next question.

Hon. Mr. Cox: — The 11,440 are all high ecological value.

Ms. Sproule: — And that's determined through the CLEAT assessment as well?

Hon. Mr. Cox: — And in consultation with our NGOs [non-governmental organization].

Ms. Sproule: — Your NGO?

Hon. Mr. Cox: — Our non-government organizations — the Ducks Unlimited, Wildlife Federation.

Ms. Sproule: — All the NGOs that are involved. Okay.

Hon. Mr. Cox: — That we consult with basically on every tranche that we do.

Ms. Sproule: — Okay. So can you just give us a sense of the character of those 11,000 acres that have recently been added back, or never, or . . . Have some of them already been in WHPA and taken out and put back in, or are these all new additions to WHPA?

Hon. Mr. Cox: — These are new additions to WHPA. They were Crown land, vacant Crown land. A good percentage of it I can say, and I don't have that percentage here, but a good percentage are in the forest fringe zone. And then there is some, I know there were some from the northeast part of . . . or southeast part of the province. But I don't have a total list of exactly which RM [rural municipality] they were in, but they were vacant Crown lands is what they were.

Ms. Sproule: — Unleased or leased? Vacant, are they leased at all?

Hon. Mr. Cox: — Vacant.

Ms. Sproule: — Thank you for that. In terms of our obligations internationally through the representative areas network, will any of these lands affect . . . The taking them out of WHPA, will that affect our RAN [representative area network] quotas?

Hon. Mr. Cox: — Because they are not . . . or maybe I'd better check now, but because they weren't high-ecological value, I think we're okay.

The low-ecological-value lands that come out were in RAN, so they come out of RAN. But the moderate-value land stays in RAN, and any new land that we're putting in goes into RAN.

Ms. Sproule: — But that looks like we now have a loss of around 50,000 acres.

Hon. Mr. Cox: — Well that would be difficult to say because we don't know how much of that 68,000 was low and how much was moderate. I'd have to get that breakdown for you.

Ms. Sproule: — Would you undertake to provide those numbers for me?

Hon. Mr. Cox: — Yes, certainly we can do that.

Ms. Sproule: — Okay. And could you give the committee an update on your . . . In 2015 under the *State of the Environment Report*, you indicated that:

The ministry is working towards completion of the Provincial Representative Areas Network which will result in protection of at least 12 per cent of the province . . . includes designated Crown lands that have been given a level of protection by legislation and private lands that are managed for biodiversity by agreement. These representative areas conserve biodiversity in a variety of recognized conservation lands such as parks, ecological reserves and pastures. They also act as benchmarks for

measuring environmental change and ecological health.

And now I believe I raised this with Minister Moe last year, but I have a note here that it was 9 per cent. Can you inform the committee where you're at now? Has it gone up or is it still at 9 per cent? Is it going down?

Hon. Mr. Cox: — The present amount we have in RAN? 9.8 per cent.

Ms. Sproule: — 9.8. And how soon do you hope to achieve the 12 per cent that you have identified as the goal?

Hon. Mr. Cox: — That's a difficult question to answer at this point in time. As more WHPA land comes in and goes out, it's going to depend on what that factor is and some other factors. I don't know that we have anything in the hopper right now that would be going in.

Perhaps one example could be in the boreal forest zones. Some of the lowlands may be put into RAN, so that could definitely increase our percentages. But that's just something that's being looked at.

Ms. Sproule: — So you don't have identified targets or sort of a time frame for which to reach that goal of 12 per cent?

Hon. Mr. Cox: — No, we don't at this time.

Ms. Sproule: — As I read through this, I indicated that private lands could also be included in those networks. What percentage of that 9.8 is private land?

Hon. Mr. Cox: — We will get you a breakdown of that land. We don't have it broken down between Crown and private land, and as well there is other private land that we're looking at putting easements on that will also go into RAN as well, but it's going to be private land. So we'll try to get you an update on that.

Ms. Sproule: — Yes, I was fortunate enough to be at the Saskatchewan Stock Growers banquet on Monday evening, and there was an award given to a rancher down south where I grew up. And what they're doing with the sage grouse is phenomenal. And I imagine a lot of it's leased land, but a lot of it would be privately held land. It may already be in your network, I don't know. But amazing efforts on the part of that family to, you know, be good stewards, but also to do their part for species at risk and really innovative stuff. It's a fellow I used to hang out with back in the day when we were teenagers going to movies in Glentworth, so it was really nice to see him and his family up there.

Hon. Mr. Cox: — Yes, I've said a couple of times that the best day I've spent at work since being on this job was at Miles's ranch.

Ms. Sproule: — Oh, you've been down there.

Hon. Mr. Cox: — I spent a day there one day last summer, yes.

Ms. Sproule: — Yes, it's Miles Anderson and Sheri's . . .

Hon. Mr. Cox: — Great work.

Ms. Sproule: — Yes. Our farm is about 10 miles north of there.

Hon. Mr. Cox: — Oh, seriously.

Ms. Sproule: — But we're not in the hills. We're right in the . . .

Hon. Mr. Cox: — You're over the divide.

Ms. Sproule: — Yes, we're over the divide, exactly. Anyways I digress. Sale of lands. In terms of removing lands from the WHPA designation, I know that there was a program announced a couple of years ago. I'm just wondering, in the past year many of these, once the designation is removed, revert to the Ministry of Agriculture, as it has jurisdiction over them. But are there any lands within the Ministry of Environment? I think there are some lands that have been sold and made private. Do you have an acreage? Like how many acres have been sold by your ministry in the last year for private use?

Hon. Mr. Cox: — What do want included in that? Just agricultural land or recreation land, or what are you thinking?

Ms. Sproule: — Ministry land. Like with it under the control of the Ministry of the Environment.

Hon. Mr. Cox: — Okay. In 2015, 127.68 acres were sold.

A Member: — Hectares.

Hon. Mr. Cox: — Hectares, pardon me, for a price 1.033 million. Of that, 767,000 is closed at this point in time.

Ms. Sproule: — I'm sorry, is that 167 hectares?

Hon. Mr. Cox: — 127 hectares.

Ms. Sproule: — So that's like one quarter section basically?

Hon. Mr. Cox: — 127 would be, two times — that would be a little bit more than a quarter, almost a half.

Ms. Sproule: — And it sold for \$1.03 million?

Hon. Mr. Cox: — A lot of that is our recreational land sold by lots.

Ms. Sproule: — Oh, I see. Okay. That's the total sum of Environment lands that were sold in 2015? Do you have anticipation of further sales in 2016?

Hon. Mr. Cox: — I have a sense that it will taper off. A lot of the recreational land that we have in our subdivision, a lot of it of course is in the northern area. There's not a lot of that left, I guess, to answer your question. I don't know how many we would sell this year.

[16:15]

Ms. Sproule: — It's hard to say until you have the sale in place. In terms of the WHPA lands where the removal, all those

acres were removed, will they now be made available for sale from the Ministry of Agriculture, or do you know?

Hon. Mr. Cox: — Which WHPA land?

Ms. Sproule: — Well that you took 68,456 acres under this order in council out of WHPA.

Hon. Mr. Cox: — The 68,000 acres that I mentioned earlier?

Ms. Sproule: — Yes.

Hon. Mr. Cox: — Is that acres or hectares? That's acres. Yes, some of those haven't closed yet, but they are all finalized. Okay.

Ms. Sproule: — The designation has been removed, and then there's plans for sale?

Hon. Mr. Cox: — Yes.

Ms. Sproule: — Okay. Would you ever remove the designation under CLEAT if there wasn't a buyer lined up, or would you just leave it in the system under WHPA?

Hon. Mr. Cox: — You mean would we take it out of WHPA?

Ms. Sproule: — Yes, for no reason. Like, it sounds like you had a reason take it out of WHPA here because there was a buyer. And legitimately under CLEAT, it was a low value for ecological value. Are there other lands out there that you know of that have low value, but you just won't remove them because there's no buyer?

Hon. Mr. Cox: — Some of this WHPA land didn't sell to the lessees because some of it was vacant or the lessee didn't want to purchase it. So we put it to tender. So in that situation, then a piece of land like that would go to tender.

Ms. Sproule: — So are you ongoing looking through your inventory as you go through it and say okay, we need to do a CLEAT assessment on these lands, and then you would just make them available for sale? So is it sort of a multi-year process?

Hon. Mr. Cox: — Yes, it is. Yes it is. It's ongoing as well as looking at CLEAT for the land to put back into WHPA because that was part of the agreement. So we're looking both at the land to come out and the land that goes back in.

Ms. Sproule: — Okay, thank you. I am going to move back now to some of the Estimates figures — if I can find that tab, here we are — for this year. Perhaps you could share with the committee . . . I'm looking now at landscape stewardship which is subvote 15. And we see pretty much a hold the line with the budget for this year as compared to last year's Estimates, but there is a slight decrease. Could you share with the committee why there is a — I think it's about — \$170,000 decrease in subvote 15?

Hon. Mr. Cox: — Okay, that can be accounted for in the . . . I guess the first item there would be the downsizing in the Aboriginal Affairs unit, and that's by the elimination of two

vacant FTEs, and they've been vacant for several years. And other vacancy management in the department amounted to \$40,000. Amortization expense for IM [information management] and IT was a savings of 19,000. And the employee and family assistance program, our share of that in this department was 2,000, and the increase there was a salary adjustment of 93,000, so we dropped it from 3.990 to 3.822.

Ms. Sproule: — That brings me to another question. Overall it looks like you've only lost one FTE in your ministry this year, so if you lost two there, were there additions in staffing in other places? Could you maybe just give us a general idea of how staffing, how many FTEs were let go or vacant positions weren't filled, and then how many have been hired? How many new positions have been created?

Hon. Mr. Cox: — For the year ended?

Ms. Sproule: — For the year ended, yes please.

Hon. Mr. Cox: — Basically there was very little change. Those two positions were eliminated, and we added one position, a full-time FTE, for aquatic invasive species.

Ms. Sproule: — Okay. In terms of the fact that they were vacant for a number of years, was that with the treaty land entitlement program, and the number of selections has gone down over the years?

Hon. Mr. Cox: — Yes that's correct; that's the work. So partly that is why they haven't been filled, and partially some of it is being . . . perhaps will be handled through Government Relations, on the First Nations and Métis development file.

Ms. Sproule: — I'm just always interested in that because I worked in that program for 17 years. Environmental Support is also slightly down a couple of hundred thousand dollars, so that's subvote 14. Could you advise the committee as to why there's a drop in that program?

Hon. Mr. Cox: — The primary change there was the change, decrease in capital of 732,000 on the information management system. There were some increases in salaries that accounted for the rest of it, but the major one was that 732.

Ms. Sproule: — And that IT system, that's part of your results-based regulation program. And is that all complete now? Is that up and running, like the IT system? There was a lot of money put into that to get . . . Well I don't know if we have time. I'll come back to that because I think our time is fast ending for this portion.

Forest services, again there's a slight decrease there, 360,000. Could you tell the committee what changes are being made in forest services.

Hon. Mr. Cox: — Is that the 329? Is that what you're talking about?

Ms. Sproule: — 360,000. I'm just looking at vote on the estimates, vote (EN09), yes.

Hon. Mr. Cox: — There's 329 there that is a decrease in the

disease and insect, some funding that hadn't been used in previous years. We feel we have adequate money in that department to handle any surveillance work we need to do.

Ms. Sproule: — Okay, thank you. And quickly, environmental protection seems to be down \$2.2 million. Can you explain to the committee why that's been decreased?

Hon. Mr. Cox: — Basically two larger items there, Ms. Sproule. The first one is the Sarcan contract. It's down by 1.227 million because that contract is based two years prior, okay. From the '14-15 year-end is what we base the environmental handling fees. And the other one is the wrap-up of the boreal watershed for \$1 million.

Ms. Sproule: — Wrap-up of . . .

Hon. Mr. Cox: — Of the boreal watersheds. What was it?

A Member: — Boreal watershed study.

Hon. Mr. Cox: — Yes, initiative, which wrapped up in March of 2016.

Ms. Sproule: — Is that available to the public yet, or is it still being finalized?

Hon. Mr. Cox: — It's still being finalized, and there's some monitoring continuing to go on, and we're hoping it will continue. But the results of that are going to be, I believe, will be coming out later this year.

Ms. Sproule: — Okay, thank you. In terms of the numbers, explain how the Sarcan contract works. Does this mean less people are recycling, or does it mean they're recycling more?

Hon. Mr. Cox: — We're running at about 87 per cent of our beverage containers are being recycled. I believe this year it was 82 per cent, I think, if that's correct. So it roughly stays the same. I mean it's just a matter of maybe when stuff was delivered or people didn't take it in and get it in that year-end. But that contract does fluctuate from year to year because it was down from '14-15 from what it was in '13-14. Okay?

Ms. Sproule: — So you look at the previous year and go with that?

Hon. Mr. Cox: — It's actually two years back.

Ms. Sproule: — Oh, two years. Right. Okay, thank you.

Significant increase in wildfire management. I believe most of that would be the capital acquisitions that you are making in that area. Are there any other changes in wildfire management that you'd like to bring to the committee's attention?

Hon. Mr. Cox: — Just what we talked about earlier with, you know, with the addition of the eight new crews. The work that we did in protecting communities in the North this spring, the fact we brought planes back and firefighters back earlier. We did purchase a lot of hoses, sprinklers, backpacks, those kind of things, to be ready for another fire season this year if it should occur. Those are the kind of things that we did, as well as the

capital projects you mentioned.

Ms. Sproule: — I think at this point, rather than launch into another question, maybe I would just wrap up for now.

Hon. Mr. Cox: — We have a couple of questions we can answer. We have some answers for you from before. If we could do that first and then we'll wrap up, if that's all right?

Ms. Sproule: — All right, yes please.

Hon. Mr. Cox: — Okay that Francis & Company contract that we talked about, we gave you the wrong . . . That's a payment to a lawyer for a settlement on a sand and gravel lease. That's what that was for. The climate change actuals were \$1,094,527, and the money to Elaine Pare . . . Am I going too fast?

Ms. Sproule: — No, that's good.

Hon. Mr. Cox: — Was for — you're going to like this — sheep tending. Browsing, tending, yes.

Ms. Sproule: — Where would the ministry have sheep located?

Hon. Mr. Cox: — It's a stand tending in the forest. It would be her sheep, I'm sure.

Ms. Sproule: — Right, very interesting. Thank you for that . . . [inaudible interjection] . . . That was three hours ago, so I'm trying to remember what the question was.

Hon. Mr. Cox: — And the consolidation one that you asked about the difference between the 34,674 . . .

Ms. Sproule: — Oh yes.

Hon. Mr. Cox: — And the 22,949. It's consolidation adjustments, interagency transactions to eliminate dollars paid. And that was between Parks and WSA [Water Security Agency] . . . environment and natural resources, okay? That's why that was in. It was internal.

Ms. Sproule: — Thank you very much. So I will just provide a quick note of closing in terms of thanking the officials for coming today and being available to provide all those answers, and certainly to the minister for your forthright and readiness to deal with the questions and provide, you know, frank and honest answers. So thank you very much for that.

Hon. Mr. Cox: — Okay, Mr. Chair, I'd like to say thanks to the committee as well, and thank you for the questions. And I would also like to lend my voice to thanking my officials for a great job in being here and sitting through this as long as they did and all the assistance they gave me. So thank you very much.

The Chair: — Thank you, Mr. Minister, and officials again for providing the committee with great answers and information. It is 4:29, and we will move as quickly as we can to get the Water Security folks in here, so the committee can reconvene as soon as possible. And again thank you very much. I'm looking to try and get it done within 10 minutes or so, so this committee now stands in recess until we're back up and ready to go.

[16:30]

[The committee recessed for a period of time.]

The Chair: — Well hello, everyone. We're back for the second part of our consideration in the Ministry of the Environment. It is 4:38 p.m. That means we'll conclude for the day at around 6:08 p.m., just for the record.

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

Subvote (WS01)

The Chair: — We'll be considering the estimates for the Water Security Agency during this time frame. It is noted as vote 87, Water Security Agency, central management and services, subvote (WS01). Minister Cox, I don't know if you have any opening statements that you'd like to mention, but if you could introduce your officials. And maybe I'll remind them that the first time you are asked to speak in front of the committee, you could state your name just for the written record that we keep here. So Minister Cox.

Hon. Mr. Cox: — Thank you, Mr. Chair, and once again good afternoon, everyone. And I would like to introduce my officials here this afternoon. To my right, I have Wayne Dybvig, the president of Water Security Agency. To my left, we have Irene Hrynkiw, the executive director of corporate services. We've got Susan Ross back behind me, our senior vice-president and our general counsel; John Fahlman, the vice-president of technical services; Sam Ferris, the executive director of environmental and management services; Dale Hjertaas, executive director of policy; and Clinton Molde, the executive director of integrated water services back there. And Doug Johnson, the executive director of special projects, is back there as well. And my chief of staff, Tyler Lynch, is with us here today as well. I think I've got everybody.

So I just would like to make a few brief comments if I could, Mr. Chair. Certainly water is a key element to our growth. Our government believes water management is important, which is why we have focused greatly on this area since 2012 when the Water Security Agency was created, and to implement the 25-year Saskatchewan water security plan. We continue to invest in those key areas to keep Saskatchewan strong. The 25-year plan sets out the government's agenda to ensure water supplies will support economic growth, quality of life, and environmental well-being now and into the future.

I believe that infrastructure investment is key to our future growth. Gardiner dam is a prime example of how making investments today can pay off for future generations. Since the 2010 construction season, Water Security Agency has invested over \$50 million on water management infrastructure and rehab. This year we will invest over \$20 million in water management infrastructure. This includes \$12.5 million investment this year as part of a 10-year, \$100 million project to rehabilitate the M1 canal, which will help to reduce water loss and an increased capacity by 52 per cent to support future growth. It is important to note that the M1 canal provides water for such things as a provincial park, three potash mines, four

regional water pipelines, five towns, six reservoirs, 13 wetlands, and 56,000 acres of irrigated land.

Significant investments will be made in seven water management structures across the province to ensure dam safety and reliability in order to deliver water supplies to support Saskatchewan's growth. Our budget also includes continued funding for the emergency flood damage reduction program. This program provides assistance with implementation of emergency flood protection measures for communities, rural municipalities, First Nations, businesses, non-profit organizations, individuals with rural yard sites, country residences, and cottages to prevent damage from imminent flooding. Since 2010 Water Security Agency has spent almost \$70 million in flood mitigation to assist in excess of 3,200 applicants to prevent flooding. The program has cost-shared construction of almost 800 permanent works that will serve to protect our citizens from flooding now and long into the future.

Mr. Chair, those are just a couple of the highlights of our WSA budget. Guided by the 25-year Saskatchewan water security plan, WSA will continue working to ensure secure water supply which can support our future growth and our quality of life.

I would like to acknowledge all of the staff at the Water Security Agency for the work that they do and certainly the work that they've done to prepare for today, and I certainly appreciate that. I would now welcome any questions or comments that the committee may have.

The Chair: — All right. Thank you very much, Minister. I should mention that we have Mr. Steinley joining us in place of Ms. Eyre for this segment of the questions. And I will open the floor up to questions. And I recognize Ms. Sproule.

Ms. Sproule: — Thank you very much, Mr. Chair, and thanks to the minister for those opening comments. Welcome to all the officials here tonight, and thank you for the continued good work that you do for the Water Security Agency. This is probably officially my first time as a critic for Water Security Agency. I've certainly followed it a bit over the years, so it's kind of a getting-to-know-you phase a little bit . . . your first too.

So I just wanted to get a sense of some of the general activities that have been taking place over the years, and I thank you for highlighting the M1 canal. I think that's very significant work. What I normally do when I get involved with an agency or a ministry is look at numbers from the last few years, and what I've noticed is that over the years Water Security's funding has gone up quite significantly. You know, as low as \$4 million in 2012, and we're now looking at \$20 million. Back then it was the Watershed Authority of course. So I'm just wondering if you could give a sense to the committee of where the major changes have been to warrant that increase in funding. Is it through the flooding payouts? I don't think those are reflected in there. But what extra activities has the agency taken on?

[16:45]

Hon. Mr. Cox: — Since the reorganization in 2012, we've had 40 staff added to the Water Security Agency that came across when the reorganization occurred. We've also increased the

work that we're doing, as I highlighted in my opening comments on our infrastructure. So our interest and principal payments have increased year over year to . . . I think last year was \$6.9 million. And as well the EFDRP [emergency flood damage reduction program] program, which doesn't show up there, last year was over \$3 million; I believe this year budgeted at \$2 million for the EFDRP program.

Ms. Sproule: — Explain that acronym for us, please.

Hon. Mr. Cox: — Sorry. Emergency flood damage reduction program.

Ms. Sproule: — So where do those funds flow through in terms of accounting? Would they come under PDAP [provincial disaster assistance program]?

Hon. Mr. Cox: — They're flowed through directly from the GRF to that fund.

Ms. Sproule: — I see, okay. So they aren't reflected at all in the accounting for the Water Security Agency?

Hon. Mr. Cox: — Yes, it's part of our budget.

Ms. Sproule: — Oh, they are in these numbers?

Hon. Mr. Cox: — Two million dollars this year in the budget.

Ms. Sproule: — All right, so in terms of the, let's say the increase from 2012 to 2013, there was a jump of \$8 million. Would that be mostly the staff that were added? Was that to take over the irrigation infrastructure, or why were that many staff added?

Hon. Mr. Cox: — At that same time we took over the drinking water and wastewater regulation, so that's part of why the new staff, when we reorganized part of the staff increase.

Ms. Sproule: — And where did those staff, where were they resided before that? Were they in the Ministry of the Environment?

Hon. Mr. Cox: — In the Environment.

Ms. Sproule: — Just moved it over to the Water Security Agency?

Hon. Mr. Cox: — Yes.

Ms. Sproule: — Okay. I'm going to start I think with just some general questions out of the plan for 2016-17 for the Water Security Agency. And we'll look . . . first tag that I have is I guess on . . . I don't have page numbers here, but the goal page is prevention of damage from flooding, excess moisture, and drought. That's the WSA goal. I don't know if there are page numbers, but . . .

Hon. Mr. Cox: — Yes, right at the bottom.

Ms. Sproule: — Oh they didn't make it on my printer. Sorry about that. So I don't have the page number, but anyways it's the prevention of damage from flooding.

Hon. Mr. Cox: — Yes.

Ms. Sproule: — One of the key actions that's identified this year is to initiate closure of drainage works to reduce flood damages around the Quill Lakes. Could you identify for the committee, Mr. Minister, exactly how that key action will . . . what it will look like and what your plans are there?

Hon. Mr. Cox: — Okay. Well as you know, we implemented new drainage regulations last fall past, I think on September the 1st last fall. And one of the key things in our new regulations is that we now . . . No longer does it matter whether the works were built prior to 1981 or after 1981. If they're not approved, we now have the authority to go out and either have them approved, or we will have them closed if they can't be approved. If they can't get downstream land control or mitigate any of the other things that we look at when we grant an approval, then those works would be closed.

So we know this is going to be a 10-year project because we estimate there's between 100 and 150,000 works in this province, and a very, very small percentage of them are actually approved. So we know it's going to be a long process to get out and map all of these works, and find out whether or not they are approved.

So we're going to do it by way of a phased-in approach with pilot projects. And one of the pilot projects that we're going to be looking at now, because of the situation with the water situation at Quills, that's going to be one of the areas.

So we've gone out already now and we've identified 100 of the most serious drainage situations in that watershed, and we're going to proceed from there in consultation with local RMs and watershed in that area. And we'll take a look at seeing if we can . . . One of the things we'll look at is closing them, and reservoirs, whatever we can do in that area. But that's why that's been put in with our focus on the Quill Lakes area. Does that answer your question?

Ms. Sproule: — Yes. I'm just wondering, of those 100 works that you identified, were you aware of any of them prior to this year? Or are these entirely new issues that were brought to your attention since the regulations were put in?

Hon. Mr. Cox: — Because we hadn't received any complaints on any of those works, we weren't necessarily aware of them. We've identified them mostly through aerial photographs, and it's been initiated from our own ministry.

Ms. Sproule: — In your view, are these, are they all pre-1981?

Hon. Mr. Cox: — I don't think we can answer that at this point in time. We don't know when they were built, and by and large they aren't approved or we would have an approval in the office.

Ms. Sproule: — In terms of the closure, how long do you think it'll take? You've identified 100 situations. When do you expect you'll shut those down or get them licensed properly?

Hon. Mr. Cox: — Okay. We have now sent out the letters to the watershed authorities out in that area which we felt was, you

know, something we should do first. We're now going to send out the letters to the people involved in those works, giving them a time frame until September to have the works closed and then we will go out and . . . or have them approved or closed, whichever the case may be, and then we'll go out and do our inspections from there.

Ms. Sproule: — In terms of the inspections, who does the compliance and enforcement work for water security agencies? Is it WSA staff or is it Environment staff?

Hon. Mr. Cox: — It's a combination of both. In times when I guess our manpower is strained a little bit, we will use our conservation officers as well, and they've been trained in that aspect.

Ms. Sproule: — How many FTEs are currently involved in investigations and compliance with the WSA?

Hon. Mr. Cox: — We have 28 people that are involved in dealing with drainage complaints and that works out to about 14 FTEs.

Ms. Sproule: — Has that number increased over the last few years or is it stable or is it declining?

Hon. Mr. Cox: — That number has remained relatively constant over recent years, but we do supplement that with some contract workers at times.

Ms. Sproule: — So in '15-16 how much did you spend on contractors for that work?

Hon. Mr. Cox: — For the year ended '16, we didn't spend any money on consultants this year. But in the year ended March 31, '15, we spent 200,000.

Ms. Sproule: — Do you have the numbers for '14 available as well?

Hon. Mr. Cox: — Year ended of '14? No, we don't have that available here but we can get it for you.

Ms. Sproule: — Oh, that would be great. Thank you very much. Just moving on in the agreement here. There's also one of the key actions under the same goal is to implement the new approach to agricultural water management or drainage. Could you just share with the committee what that approach will look like and how it will be implemented?

Hon. Mr. Cox: — I assume you're looking for the total new water strategy, or are you just looking for the complaint process?

Ms. Sproule: — No, the overall approach. I mean this is the key action, is to implement the new approach. So I just want a little flesh around the bones of that.

Hon. Mr. Cox: — Okay. I'll just highlight some of the things that are included in the new regulation then. And it's going to be, as a lot of our things have gone to, is a risk-based approach now. So a works that is a small works or it's in a watershed that is not subject to any flooding problems would receive an

approval rather quickly. If it was a larger works that's in an area that's subject to flooding, then we would look at it more in depth. And we may require . . . One of the things that we put in this new regulations is that we may require a qualified person to help design that works.

As I mentioned earlier, we're staging our closure of any unapproved works over the next 10 years. What we're learning in the pilot projects, which there's one down in the Stoughton area, one up in the Canora area, what we learn in those two pilot projects is going to inform how we go forward in implementing the rest of the province.

Ms. Sproule: — Sorry, what areas did you say?

Hon. Mr. Cox: — Pardon me?

Ms. Sproule: — What area?

Hon. Mr. Cox: — Down by Stoughton is the one area. Souris, I think it's the Souris watershed down there. And then the other one is up near Canora in the Good Spirit, north of Good Spirit Lake there. Upper Spirit Creek it's called, and then the Gooseberry Lake. Okay? And then as well of course we're now also focusing some attention on the Quill Lakes watershed as well.

So the other thing that, you know, some of the other things we're doing here is we're ensuring that any mitigation of the impacts becomes part of that drainage work approval process. So we look at things like, you know, the importance of the wetlands in that area, the importance of water quality, the importance of the water habitat, those sorts of things.

We're certainly promoting and supporting organized drainage through the C & Ds [conservation and development area authority], those sorts of things rather than individual drainage works. And we're trying to simplify and streamline the approval process, as I mentioned earlier. Drainage works of lesser risk will be approved quicker. It's not so prescriptive. It's more risk based than it used to be.

We've simplified the land control agreements. The landowner with the project simply needs to get consent in writing from the landowners downstream that they're in favour. If he can't get that, of course the works can't be built.

And the big one in my mind is we're no longer exempting works that were built prior to 1981. These regulations have not been, you know, changed since 1981. Thirty-five years, a lot has changed in the agriculture industry since then. And it was very cumbersome and that's why I think a major reason why we got backlogged on our complaint process. Because it was very cumbersome for us to go out, number one, we had to determine when that was built, whether it was built prior to '81. Well then . . . [inaudible] . . . approved. If it was built after that, it did.

This process all cost time and it cost a lot of money to do that. By changing those regulations, we now no longer need to do that. We go out and expect, if there is a works there, if it's causing problems, we issue a letter recommending that he comes in and gets it approved. And if he doesn't, then we take the next step. And it can be wrapped up a lot more quickly.

And as I mentioned earlier, we're also enabling qualified persons to assist in the more major drainage works. In some of these works, we will look at putting in gated culverts to hold water back in times of flood or early spring, and then maybe would release that water later in the summer when the flooding is not imminent. Then that allows water to settle and those sorts of things, nutrient loading. Those are some of the major changes.

[17:00]

Ms. Sproule: — Thank you. Just a couple of questions about that. In terms of consent, if a landowner obtains downstream consent for some works but doesn't obtain a legal, like an easement or some sort of legal instrument that will protect that consent, what happens if the next landowner comes along and he sells his land and the next fellow doesn't want, doesn't consent, how will you protect the person upstream?

Hon. Mr. Cox: — A couple of things on that. On large projects or public projects, we are requiring easements still. And certainly the works owner is at liberty to get easements if he so chooses from the downstream landowners. That part of the process was pretty cumbersome before, and we felt that it was leading to a lot of these works not being approved because a lot of farmers, as I'm sure you know with your background, that farmers wouldn't want to put an easement on their land any more than anybody else would I guess, for that matter. So that's why we streamlined that, and we realize that I guess, you know, down the road it could be a problem. But it was a problem before because farmers, let's face it, weren't getting easements and they were just going ahead and doing their works without that.

Ms. Sproule: — But without the legal control, you're really putting the upstream people in a very vulnerable situation. And I'm not sure that the concern of the cumbersomeness is because it was ... It wasn't cumbersome because it was a legal arrangement. It was cumbersome because the person downstream didn't want that drainage on his land. I mean I don't think the legal instrument itself is the issue, and certainly to protect both individuals, especially in transfer of land situations, it really leaves them exposed and vulnerable, don't you think?

Hon. Mr. Cox: — This was one of the ... We did very extensive consultation before we proposed these new reg changes with about 500 different people, and this was one of the things that came up time and time again in whatever part of the province we went to.

Farmers weren't objecting as much to having the water go across their land as they were to attaching an easement to their title. In a lot of cases we find, and we found then, that there was joint benefit to it. If there's a slough on my land that I'm going to drain across your land, maybe you have a slough too and we join it up and we get whatever, both of them drained. So there's a benefit to the downstream people. So we heard from the farm groups, from the NGOs, and as I said there was 500 of them that responded and that was one of the things they all suggested.

Ms. Sproule: — I guess it's my legal background speaking here, but you know, I just think we'll wait and see how the

feuds happen in the future. But right now if farmers don't want to have that kind of control, then I guess you've listened and we'll see what happens.

In terms of works, unlicensed or illegal works that are in place where you don't know exactly who created the works, who pays for that? The mitigation or the licensing or putting the proper controls in place or the proper, you know, floodgates or whatever, who's responsible for paying for that?

Hon. Mr. Cox: — The present owner is deemed the owner of that works.

Ms. Sproule: — So in the event where it could cause considerable financial hardship for them to properly obtain what they need to make it legal, you know, like it could cause bankruptcies, so I'm just wondering if you have any sort of mitigated financial plans for farmers to access financing. Or I mean I'm just thinking of just down where I grew up and some of the dams that have been built, and I don't know if they've ever been licensed or not. So what kind of assistance are you going to be able to offer to producers to deal with those maybe sudden and large costs to deal with this?

Hon. Mr. Cox: — There is a program through Growing Forward 2, through Ag to help anything that they have to mitigate with that. But I'm not familiar with the amounts in that.

Ms. Sproule: — All right. Thank you. I may come back to that. I know our time is limited today, and I do want to take some time to go through the recent, the release of the opinion by the Ombudsman. I know she wrote it in March, end of March it's dated, and I understand that the Water Security Agency was given some extra time to be able to consider the implications of a report prior to her releasing it publically last Friday.

But I just ... It's a fairly strong finding and as you know, Mr. Minister, we raised it in question period today as well. But I just maybe ... I don't know if you want to provide for the committee advice on or information on how you intend to deal with the six areas where she raised concerns or maybe give us an overview, and then I can ask some questions following that. Or I can jump right into questions. Just for background, maybe I could just give some background information to the committee as well, just as you prepare.

Hon. Mr. Cox: — Okay.

Ms. Sproule: — Basically this is a report on an investigation into processes the Water Security Agency used to address a farm couple's complaint about drainage ditches. In this report, the Ombudsman is making six recommendations. And there's a fair bit of detail on the actual complaint itself, but I don't think we need to go into that.

Hon. Mr. Cox: — I guess I would just like to start off, Ms. Sproule, with just saying that, as I said this morning, that our new drainage regs I think are going to go a long ways from preventing a situation like this ever happening again. And this was an unfortunate situation that happened as a result of the huge workload in that area, a huge water problem.

But I would just like to share with you, since our new drainage regs, our complaints and approvals process has been drastically improved. This year, since April 1st of last year, 2015, we've received 361 complaints; that includes some carry-over from '14-15, by the way. We've resolved 224 of them. We have still 143 complaints outstanding, and we've issued 152 new approvals since April 1st of last year. The majority of these approvals are resolved since the new regs have been put in place. So we're going to work on certainly improving that part of our . . .

You know, as I mentioned before, our complaint process was so cumbersome before. Now we don't need to go out and do as much as we had to do before. So this new approach will, you know, effectively address a lot of the concerns raised by the Ombudsman. We agree with all of her recommendations, and a lot of them were addressed in these new drainage regs. So I don't know whether you want me to go through all six of her recommendations here but . . .

Ms. Sproule: — Yes please. That would be great.

Hon. Mr. Cox: — Would you? Okay. With regards to recommendations 1 and 2, that the Water Security Agency develop written procedures for how to handle requests for assistance, which is the first step; and formal complaints, which is the second step; and establish reasonable timelines for final reports to be written and orders issued. Our response is, we concede that some of the investigations have been lengthy, driven in large part by the workload created by successive years of flooding. WSA advised the Ombudsman of the new approach whereby requests for assistance will be handled much quicker under the new regs and which should eliminate the need for formal complaints, which I've highlighted a minute ago.

Recommendation 3: that WSA adopts a fair decision-making process regarding granting of extensions because there was an extension granted in this case. And the reason normally that extensions are granted is because of wet conditions that the work can't be done that needs to be done. Response from us was, Water Security Agency advised that the process proposed by the Ombudsman for extensions would add significantly to the administration process. Given that extensions were usually driven by current land conditions — and that's too wet — that prevented closure of the works, it is felt that the new approach will also help address this issue because of course it will be dealt with quicker.

Recommendation 4: that WSA waive the fee for formal complaint and return the money to the complainants. Unfortunately we can't do that, because under regulations there is no policy for returning the fee.

Recommendation 5:

That the Water Security Agency clarifies whether the 30-day period to appeal one of its orders to the Water Appeal Board also applies to an extension of the time to comply with an order, and . . . that legislative changes be made to ensure the parties . . . [can] appeal an extension of an order.

So if we grant extension to the proponent, then the complainant

would . . . they're saying should be able to appeal 30 days after that. And we will consider the legal implications of this recommendation. We'll look at that with the legal department.

Recommendation 6:

That the Water Security Agency develops and follows a clear process for assessing and deciding whether to issue an order under clause 62(1)(c) of *The Water Security Agency Act* to address unapproved works [and that gives us the authority to close them, that clause] that come to its attention through its request for assistance . . . [and/or] formal complaint processes.

And our response was, Water Security Agency devised that this new approach will bring about the application of the notice section of the Act to bring about closure of the works more quickly.

So as I've said, most of these concerns are handled as of the new regulations last September. And I can give you some chronological order here if you don't already have that.

Ms. Sproule: — Sure, go ahead.

Hon. Mr. Cox: — Okay. September 23rd, 2010 the contact was made with the Water Security Agency. On October 5th, we did the inspection. October the 7th, 2011, a letter of recommendations for closure. October 28th, a formal complaint was issued.

May the 2nd of '12, we began inspection for formal closure, and then in November 27th completed the formal inspection. December the 10th, issued the decision and the order to be closed by June the 15th. June 19th, we did a site inspection and then we extended it because the person was being co-operative, in our opinion. So that doesn't allay the fact that it did take a long time.

Ms. Sproule: — In terms of your response to the fourth recommendation, waiving the fees, if you are going to consider recommendation 5, which is making legislative changes to ensure that they can appeal the extension, would you consider some sort of fee waiver process there as well, legislatively, so that in the event that this kind of . . . The complainants are again found in a situation where the WSA isn't able to respond effectively, that they could get that waiver?

[17:15]

Hon. Mr. Cox: — Yes, that's something that we could certainly look into in the future. We think, as I've stated here a couple of times, that this shouldn't happen with the new regs. It shouldn't be a problem. We shouldn't be granting extensions, and we should be able to handle it. But we'll definitely look at that waiving.

Ms. Sproule: — Yes, I guess we'll have to see how the new regs work out. In terms of recommendation no. 6, I didn't follow what you said closely. I tried, but my brain kind of went dead for a minute. So I'm just wondering if you could reread that for us. I would appreciate that.

Hon. Mr. Cox: — Yes. The recommendation was:

That the Water Security Agency develops and follows a clear process for assessing and deciding whether to issue an order under clause 62(1)(c) [and that's an order to close, for closure, okay] of *The Water Security Agency Act* to address unapproved works that come to its attention through its request for assistance [which is the first step] and formal complaint process.

And our response is what WSA advised, that the new approach will bring about the application of the noted section of the Act to bring about closure of the works more quickly.

Ms. Sproule: — Okay so could you just explain that last little bit a little bit? Now how have the changes facilitated this approach that you're describing?

Hon. Mr. Cox: — Previously that section of the Act had not been used. And now with the changes we feel that it is appropriate to use it. And we do give that works owner, after it's been determined there is a works there and he can't get land control, he'll only have 30 days to have it closed. Then we do an inspection. If he hasn't closed it, then we will take steps to close it, and the cost would be passed on to him.

Ms. Sproule: — And why weren't you using that prior to the regulatory change?

Hon. Mr. Cox: — Apparently it wasn't used in the past because it was believed to have been part of the mediation process as part of the request for assistance. We've since revisited that and got a new opinion with the new regulations, and we can in fact use that clause.

Ms. Sproule: — So it wasn't that you couldn't use it before, but you didn't.

Hon. Mr. Cox: — Thought we couldn't.

Ms. Sproule: — Thought you couldn't. Okay. I'm just going to ask some general questions based on some of the comments that the Ombudsman made. First of all she indicated that between 2011 and 2014, there were 720 requests for assistance, 41 of which became formal complaints. Can you inform the committee how many of those have been resolved or how many are still ongoing.

Hon. Mr. Cox: — That was from '11 till when?

Ms. Sproule: — '14.

Hon. Mr. Cox: — Okay. Since 2014 we've actually had about another 300 complaints since that time. And we've taken care of . . . There are currently only 143 outstanding requests for assistance, and only 25 former complaints that are outstanding at this time. And we've resolved 70 of those complaints this year already.

Ms. Sproule: — Thank you. How many of those complaints have resulted in an approval or closure? I guess that's two questions. How many resulted in approval of works, and how many resulted in a closure?

Hon. Mr. Cox: — Ms. Sproule, we don't have that information with us, but we will attempt to get it for you and get it to you.

Ms. Sproule: — Thank you for that. Thank you very much. We have information from the Water Security Agency that you've indicated they're up to 200,000 quarter sections of land with illegal drainage on them. We know that illegal drainage is continuing and you're the responsible authority for that, and you know the illegal drainage is there. So why is it continuing? And I guess the question is why won't you enforce the legislation you've been entrusted with unless someone complains?

Now you've indicated in the Quill Lakes area you're actually taking proactive steps. You're not waiting for complaints, but in the past . . . I mean that's in the Act, so you have always had the discretion to act without a formal complaint, but it seems to have been the practice. And I don't think the regulations have changed. I guess, what's the change of heart where you're now actually enforcing drainage up on these 200,000 quarter sections without requiring a complaint, or are you still requiring people to complain first?

Hon. Mr. Cox: — It's actually, I think it's between 100 and 150, it's not 200 in our estimation which is just an estimation. Prior to the new regulations, if the works were created before 1981, we couldn't close them anyway because there was no requirement.

Ms. Sproule: — I understand that, but post . . .

Hon. Mr. Cox: — So that was part of it, okay? As I mentioned earlier on, you know, that's the reason to do the two pilot projects and what we learn there is going to inform how we go about it. But no, we will not be waiting for complaints. We will be going out, and if approvals can't be obtained for the works that are there now, they will be required to be closed, gated, culverted, whatever the case may be, to mitigate whatever damage has been done.

Ms. Sproule: — And that is something that could have been done without changing the regulations, correct?

Hon. Mr. Cox: — Well it would have been difficult to do because anything . . . We would have had no way of knowing whether that was built prior to '81 or whether it was built in '79 or '82. So and the farmer in a lot of cases wouldn't know because the land may have changed hands three times, so he wouldn't know. And prior to the regs, we could not close works that were done prior to 1981.

Ms. Sproule: — Yes, I guess what I'm talking about is a lot of the drainage that has taken place since 2011, because that's where most of the complaints that I'm aware of and that the producers have come to me with, is since the high levels of rain where individuals are buying track hoes. And you can actually see it from the highway, I mean, I've seen it. Now that's not 1981, but they were still being required to file a complaint and then this formal investigation would take place.

So what you're telling me is that you are no longer requiring people to file a complaint, that if somebody just brings it to your attention or if you see it on an orthophoto map that there

appears to be drainage, you will take action?

Hon. Mr. Cox: — Again once we compile what we've learned in these two pilot projects which are well under way right now, that's going to inform, you know, our methodology, how we go about . . . You know, whether we work on specific areas again, whether we continue to concentrate on watersheds where there is water problems, or whether we go with larger works, and I don't think . . . Those decisions haven't been made until we get the information back from our pilot projects.

Ms. Sproule: — So in terms of rollout then, once a pilot project is completed, do you anticipate that you will then . . . Are you going to target hot spots like, you know, the Langenburg — Smith Creek area first? Or do you have a plan for attacking these 150,000 quarter sections? Are you going to staff up and deal with it? Do you have a goal to deal with, you know, 40,000 quarters a year? Or you know, what's the time frame? When is the pilot project concluded? And then what's your plan from there?

Hon. Mr. Cox: — Initially we've anticipated that this may take us up to 10 years to do. But once . . . Of course, the pilots will wrap up this year, and certainly our plan at this time is to continue on. We've started the pilots in the two of the most high-risk areas, and we're going to continue with what we consider to be the high-risk areas and work down to where there's the least problems. That just kind of is a common sense thing to me.

Ms. Sproule: — Okay. And in terms of the pilot projects themselves, what exactly are you looking at for measurement or yardsticks goals?

Mr. Johnson: — I'm Doug Johnson. Under my watch, the pilot projects have been moving ahead. So what we're doing right now is we're working with the individuals to get them into an application process and then an approval process. Our measures of success will be to have these people apply for and receive approval to construct an approval to operate for existing works. In cases where that won't be able to be obtained, we will also look at further compliancy, to closure of works, especially if you can't get the land control required. And then . . . We're really after full compliancy in these pilot project areas.

Ms. Sproule: — In terms of land control, are these all high-risk ones where there's an easement required?

Mr. Johnson: — No, there are a number of small ones — one quarter section, two quarter sections, two points of adequate outlet. In several cases though, we have some fairly large ones.

We're working on one right now that has 113 quarters in one project. So a very large project, and joint applications in that particular circumstance will get us to the land control rather than going through easements. If that one breaks down, that 113 quarter section one, it may end up going to a conservation and development authority and that would require easements.

Ms. Sproule: — Too many questions bouncing in my head here. In terms of this pilot then, how many illegal works have you identified in the two pilot areas?

Mr. Johnson: — That's really a good question. So we have 223 quarter sections in these pilot project areas. We will have . . . At this point in time I'm not exactly sure of the numbers. We will have a certain number that have no works on them. The other side of it is there will be people who will be applying for new works in these areas as well. So they may have no works in place right now. I would say the majority would likely have works on them though.

Ms. Sproule: — Have you added additional staff to deal with this additional project?

Mr. Johnson: — One of the things we did do is we got assistance with the water stewardship groups to act as qualified persons in these particular areas. We had contracts with two water stewardship groups to do this kind of work, and they were able to assist us really organizing and bringing forward the applications in the pilot project area.

Ms. Sproule: — Okay. And where are the pilot projects again? I know you mentioned it but . . .

Mr. Johnson: — Upper Spirit Creek, upstream of Good Spirit Lake and in the Montmartre-Stoughton area.

Ms. Sproule: — All right, thank you. In terms of ending up as a CSA, if everything falls apart, you've got 113 quarters. That's a big chunk of land. And let's say that joint applications for whatever reasons are not successful, would you require them to form a CSA? Because as far as I understand that has to be consensual. I mean you can't force an RM or a group to . . . So what happens if they refuse to . . . the joint applications don't work and the CSAs don't work either? That's a large amount of land.

[17:30]

Mr. Johnson: — So for the formation of a C & D, a conservation and development area authority, it requires two-thirds of the landowners to sign off on the process. It's consensual, but two-thirds have to sign off, so that is a way to drive that forward. The other side of the C & D is they have the ability to expropriate lands, to get land control, to expropriate easements as required. That would be covered under *The Conservation and Development Act*.

Ms. Sproule: — Yes, that I'm familiar with. But my question is, in the event that you don't get the two-thirds, would you just shut down this 113 quarter project?

Mr. Johnson: — What I will tell you is that at this point in time in the pilot projects, we've had 82 per cent of the people in favour of approved projects. So it'd be speculation to say that it would happen, but I would expect with those kind of numbers that you would get the approval of 67 per cent.

Ms. Sproule: — All right. I know that . . . I think it was in the member for Batoche's riding, I dealt with an individual who was at the bottom of the watershed or the creek system in that case and really would have liked the RM to initiate the CDA [conservation and development area authority] but the individuals who were benefiting from the draining were not interested at all. So that's certainly a concern. You can't force a

conservation development authority on anyone. It sounds like people are motivated in this particular pilot, but yes, we'll just have to see how it goes, I guess.

In terms of the 70 resolved complaints that you identified earlier, Mr. Minister, I'm just wondering how many of them resulted in closures. Or did I already ask you that? No? Okay, sorry.

Hon. Mr. Cox: — We'll get the precise number for you. But there were several of those 70 that went to voluntary closures and some have come in to apply for approvals. But we'll get the exact split for you. And some have been closed. So we'll get the exact number for you.

Ms. Sproule: — Great. And I guess including in there, how many of those approvals are actually licensed, the request for approvals have actually been completed and licensed?

Hon. Mr. Cox: — Yes, okay.

Ms. Sproule: — Thank you. How many fines has the Water Security Agency issued? You know, I know there was one for 3,500 in 2010. Since then, have there been other fines issued?

Hon. Mr. Cox: — For drainage?

Ms. Sproule: — Yes.

Hon. Mr. Cox: — Okay. I think that \$3,500 situation you mentioned, that was in 2013, and that's been our last one. And he was kind of a repeat offender.

Ms. Sproule: — The fine is obviously a last resort for approach. Okay. I believe it says on your website that before a complaint is accepted, they must make a reasonable effort to resolve the problem through recent contact with the person or the party considered responsible. Is that still on your website or is that something you'll be taking down?

Hon. Mr. Cox: — It's still there, and that's part of the two-step process that I talked about a minute ago. It's part of the request for assistance and that's something that will be suggested. If that doesn't work, then the next step is to go to the formal complaint process.

Ms. Sproule: — Yes. I know that over the years in this capacity I'm in now, that was the single most troubling prospect for most people who were suffering from the effects of illegal drainage is that they have to actually confront their neighbour who could often be their reeve or their councillor and challenge them to do that. And it pits neighbours against neighbours. Often it pits RMs against RMs. And I think, I'm sure you're aware of that as well and I know Mr. Dybvig is as well, like that's the single most difficult thing for people to move forward. That festers a lot of unhappiness and anger and certainly explosive anger I've seen in a couple of situations where, you know, you're worried at how upset people get.

So given that, you know, you now feel you're able to just go in and clear up these cases because you're not constrained by the 1981 time frame, is that something that you're going to still consider asking people to do? If I understand correctly, you

don't need them to do that. So are you still going to ask people to do that?

Hon. Mr. Cox: — No, I think you're 100 per cent right on that and that's something that we're looking at. We can waive that and that's something we're looking at doing in the new Act. We realize it's neighbour to neighbour and sometimes it can't be resolved that way. So yes, it can be waived.

Ms. Sproule: — All right. I'm sure a lot of people are going to feel safer and more comfortable now knowing that they can speak directly to your agency and not have to confront, because that was raised a number of times. So yes.

Hon. Mr. Cox: — I agree that it is a problem, but I also think that it's probably — I don't know what percentage and we'll never know that — but I think it can be resolved and a lot of times just by a meeting, and that's why we've developed that policy. And as you can appreciate, it costs a lot of money for us to get involved and go out and do it, and if it can be resolved that way, fine, but if the complainant comes in and absolutely is scared for his life or whatever, then we're not going to force him to do it. We'll waive it.

Ms. Sproule: — Yes, these disputes have long lives to them as you know, so I'm sure people will appreciate that.

I read somewhere that you were having to dip into your reserves. I have to find it. I think it was in your annual plan to pay for some . . . Yes, Water Security Agency — this is in the annual plan for this year on the highlights section — and you're indicating that you're going to direct over \$20 million from your cash reserves to rehabilitation of infrastructure, and you indicate these funds have accumulated due to under expenditures in previous years and above-average water power revenue during a series of wet years. Can you share with the committee exactly what is in your cash reserves at this time?

Hon. Mr. Cox: — We presently have 41 million approximately in our net reserves.

Ms. Sproule: — So you're using up half of them this year. What's your sort of comfort level for reserves? What would you like to ideally have it as? Is it 20 million or . . .

Hon. Mr. Cox: — 10.

Ms. Sproule: — So you have an extra \$10 million to play with next year. Any idea what you're going to work on next year? What are your, sort of, infrastructure goals?

Hon. Mr. Cox: — We will be continuing with the M1 canal upgrades. That's going to be the major one. And as you know, of course we've got 49 dams around the province so we will continue with any upgrades and maintenance that are needed on those dams, certainly the three major dams — Rafferty, Alameda, and Gardiner. And then there's some lesser dams, 1.5 million on Zelma this year, 20.835 on those infrastructure projects.

So yes, we feel comfortable. And by doing that, just by the way, you know, we saved the taxpayers of the province \$640,000 in interest. So that's part of what one of those decisions that were

made, and these were funds that have been there, as you just mentioned, as a result of higher power income in past years and unused funds from other projects.

Ms. Sproule: — Well it's certainly a good spot to be in, I think, for any Crown or agency. In terms of the financial statements on March 31st, 2015 — which I think are attached to your annual report, yes, for '14-15 — which line do we find those reserves at? Or can you direct me to the page where we can see those 41 million?

Hon. Mr. Cox: — You're looking for the information on statement 1?

Ms. Sproule: — Under the financial statements, is it located anywhere in there?

Hon. Mr. Cox: — Statement of financial position statement 1, net financial assets last year at the end of '15 were sixty-four one oh eight.

Ms. Sproule: — Okay. So in 2015 it was \$64.108 million under your net financial assets. So where's the surplus or the — I've just lost the word now — reserves? Are they somewhere in there? You said it was \$41 million in reserves, right? Yes. This is \$64 million is your net financial assets. What line would the reserves be located under or is it spread out over all of that?

Hon. Mr. Cox: — Okay. We're getting back into accounting here again. Okay. We took out, for our infrastructure projects last year, we took out approximately an \$18-million loan. Okay? So that reduced those net financial assets down from last year. Okay? So that's why that came down. And now this year we're just using reserves period for that infrastructure work for 20.835.

Ms. Sproule: — Okay I'm not sure I understand it. Like I see the 18 million in 2014 under long-term debt, which is note 7, and that 2015 there's long-term debt of 30 million. Is it in there? Am I on the right page? I'm on your statement of financial position.

[17:45]

Ms. Hrynkiw: — I'm Irene Hrynkiw, and I guess the best way to explain this is, although we have cash in the bank at the end of 2015 — there's \$85 million worth of cash — we have commitments against that cash in the liabilities section. So we have a long-term loan at the end of 2015 of \$33 million, but we took out another loan during this fiscal, the past fiscal year, of \$18 million. So it reduces our net financial assets.

Ms. Sproule: — And the difference is what you have in reserves? Between your cash and the net financial assets or is it just . . . You know what? I'm going to leave it because I have other questions I want to ask and it's getting late. All right.

First, before I forget, I did want to ask, Mr. Minister, about the impact your transformational change . . . You know, in the message in this year's budget is that your government will be looking at transformational change. What's that going to look like for the Water Security Agency and even more generally, the ministry?

Hon. Mr. Cox: — Okay. You know, we've heard a lot about the transformational change certainly in the budget recently and we're certainly going to be looking at all forms of government I think, all across all ministries. And some of these changes were necessary or are going to be absolute changes and they're going to create some efficiencies, we think. And when the Minister of Finance talks about transformational changes, he's looking at how we do all of our business for government and how the government can deliver our services that we're responsible to deliver more efficiently. So are all of the programs that our government delivers necessary? Those are some of the things that we have to look at. If a program's redundant, can we consolidate it with some other programs? Those are the kinds of things we're looking at. But certainly we're at the very early stages of looking at these, and recommendations, and we'll see how that develops going in the next few months.

Ms. Sproule: — I guess you mentioned a couple of things, efficiencies and whether programs are necessary. Is that not something you've been doing as a general practice though, is finding inefficiencies in your ministry and in the Water Security Agency? And do you review programs on a regular basis?

Hon. Mr. Cox: — Yes, absolutely we do. And that's why there's been changes made, and I think you've highlighted some of those programs that have been dropped or have been implemented, and we do that all the time. And there's been a pile of work gone on in past years doing that, so I think we're just getting into more specifics and more, maybe drilling down a little deeper, and is there another layer that we can take a look at? And these are some of the things I think that we're going to identify. And as I said, we haven't identified them yet.

But I guess I believe that no matter whether you're running a business or running a government, there's always some things that you can probably do better, and it's just a matter of sitting down and making yourself aware of it and taking it, you know, making the effort and collaborating with various ministries and see where we can go, if we can be more efficient with our government.

Ms. Sproule: — That actually seems to make a lot of sense, but it doesn't sound transformational to me. So what do you think the added dimension of that word, transformational, brings to the conversation here? Because I mean that makes sense what you're saying, but it doesn't sound transformational.

Hon. Mr. Cox: — Well I guess it's transformational in that it is, it's a change. I guess if you want to be . . . I don't know what the definition is, but we're transforming the way we're doing things. And if that means small changes, so be it. That's still a transformation in a sense. If it's a large change, then it's also transformational. That's my interpretation of it.

Ms. Sproule: — Thank you. I have with me the 25-year water security plan and I do have the most recent, I guess, appendix A to the end of '15 annual report. So you're bringing an update every year on each action. I guess, when is the 2016 annual report going to be available? Is it this month? Is that typically when . . .

Hon. Mr. Cox: — July 29th.

Ms. Sproule: — July 29th. So we can't get an update for the end of this calendar year formally, but could you maybe update the committee on some of the actions that have been completed or moved along in the last fiscal year, so '15-16?

Mr. Dybvig: — Wayne Dybvig. I'll just provide some comments about the progress. So we've been working on this since 2012 and a lot of these . . . We have 89 action items that we've been working on, and so a lot of them are sort of in progress and so there aren't some specific ones finished in the last year. But we think we're about 60 per cent complete on our overall actions.

Ms. Sproule: — Any in particular you can highlight for us that you've made considerable progress or . . . I know the boreal action plan, if you could maybe talk about that a little bit. I understand that's almost complete.

Mr. Dybvig: — You're talking about, sorry, the boreal action plan?

Ms. Sproule: — Yes. Boreal, sorry watershed initiatives.

Hon. Mr. Cox: — That's in Environment, Ms. Sproule.

Ms. Sproule: — Oh that's . . . Environment's the lead agency. Yes. I'm sorry. I should have asked about that an hour ago. All right.

The other question I want to have before I forget is I read somewhere . . . And I'm sorry. I can't find it. It's in one of your annual reports that . . . You know, I'm going to have to find it. Oh yes, here it is right here. It just jumped out at me. Again I don't have the page numbers but this is in your annual report for 2014-15 and it's under the heading of government goal, meeting the challenges of growth. I don't know what page number. I'm sorry. It's probably about 10 pages in. So meeting the challenges of growth. And then basically the action that you have planned is to complete the feasibility study investigating alternative measures to increase the delivery of water from Lake Diefenbaker to Buffalo Pound Lake to meet long-term water supply needs. And as you know, there's a lot of concerns about that with industry draw and obviously the people of Regina and Moose Jaw and getting their drinking water.

I'm just wondering . . . We know that EIAs [environmental impact assessment] are under way and we just had one completed for the Yancoale potash project. I'm just wondering, how can you actually do a complete EIA when this work is still ongoing? We don't know what the long-term water supply needs are. And one of the reasons I raise that is I heard an expert from PARC, the Prairie Adaptation Research Centre, on the radio the other day indicating his concerns that in the EIA for Yancoale, there was concerns raised by the scientists over there that there wasn't enough attention being paid to the long-term water supply needs, and that there wasn't enough attention being paid to the potential impacts of climate change like drought and like a long-term drought in particular was his concern. So I guess, how can you say that that EIA's complete when you're still doing the work to decide what the long-term water supply needs are for that water system?

Hon. Mr. Cox: — Okay. You know, towards that end, we've

undertaken . . . You know, I guess what you're alluding to is we've done a lot of work on that channel between Diefenbaker and Buffalo Pound. We've increased the flow rate from I believe 3 cubic metres per second up to 8 cubic metres per second for the summer flow, and from 4 to 7 cubic metres for the winter flow, which will substantially increase the water that is available to Buffalo Pound.

With regards to the Yancoale project, of course we're getting back sort of into Environment here again. But the estimated water for Yancoale is going to be like 13 000 decametres a year, which accounts for less than two-tenths of 1 per cent of the water that's available right now. Compare that to what's being used by Regina and Moose Jaw at 35 000 decametres a year.

Our hydrologists and scientists have indicated that there's more than ample water coming out of Diefenbaker Lake going into Buffalo Pound Lake, even in a time of an extended and severe drought. And we've used some information from other people, other than just our own, unbiased scientists. Dr. Sauchyn, you know the work that he did with the tree rings in the 1800s and 1930s indicated even at that rate, the water that would be used by Yancoale would be less than half of 1 per cent of the water that is available. And of course there's ample, there's excess allocation available right now. But having said all that, we would only be dealing with that if the EIA was ever approved for Yancoale. Okay? Then we would look at our own assessment.

Ms. Sproule: — Thank you very much, Mr. Minister. I guess Dr. Sauchyn doesn't agree with you, so at least that's not what he said on the radio, so I'm not sure that all the science is in on that, but I guess you chose the science that you chose.

Okay. One other question I wanted to ask is, has the government decided to defer payment to the Global Institute for Water Security over the next fiscal year, I guess finding some savings or at least deferring expenses so that the bottom line didn't look so bad this year? I noted that you have partnered with them to do a major study of water quality at Lake Diefenbaker. It looks like the sample collection was completed in '14-15, but water quality and analysis and assessment will be ongoing to March 2018. And this is going to give you a better understanding of the internal processes in that particular reservoir, which of course is important for this watershed that we're getting our drinking water from here.

I'm just wondering if that deferral of the funding is going to impact the research that you're doing, and will it have any impact on this project.

Hon. Mr. Cox: — We don't anticipate that that grant will affect the work that they are doing us because we are paying them for the work, for the time that's being put in, so we don't anticipate that the grant will have any effect on the work being done.

Ms. Sproule: — Thank you. I just want to look at some of the payee information statements. This is one from 2014, and I believe I have the 2015 one somewhere. Just hang on, getting near the end. We don't have the '14-15. Has that been released, '14-15 payee information?

Hon. Mr. Cox: — The payee list?

[18:00]

Ms. Sproule: — Oh here it is. Found it. First of all my question is, how much have you paid in consultants in the last fiscal year, so that would be '15-16?

Hon. Mr. Cox: — Total consultants?

Ms. Sproule: — Total for consultants, thank you.

Hon. Mr. Cox: — Okay, 2013-14 was 6.6. '14-15 was 7.3, and '15-16 was 7.6.

Ms. Sproule: — Is that millions?

Hon. Mr. Cox: — Yes, I can give you the total here if you want.

Ms. Sproule: — Just if you could describe generally what type of work you engage consultants to do for the agency.

Hon. Mr. Cox: — Well they're broken down here under operations, is part of it. The EFDRP, emergency flood damage reduction program, was part of it. And then as well in the capital projects infrastructure programs: technical work, consultants, engineers.

Ms. Sproule: — Okay in terms of operations, could you provide a little more detailed information?

Hon. Mr. Cox: — Okay I can . . . we don't have exact firms that it went to but basically three things. Dam safety management, consultants there . . . we had substantial amount of consulting on the Quill Lakes situation and also ongoing just in our regional operations that we, you know, consult with. But those were the major ones.

Ms. Sproule: — Great, thank you. I noticed in the last three years that I have for payee information, there's an agency called Bird Studies Canada, and they get a fixed amount every year of \$104,132. What exactly is that for?

Hon. Mr. Cox: — Yes, and the other part of that was environmental assessment. And that particular one was for follow up on the Fishing Lakes environmental assessment.

Ms. Sproule: — Is that still ongoing?

Hon. Mr. Cox: — Yes, this is the last year for Fishing Lakes.

Ms. Sproule: — So a company called Bird Studies Canada is doing environmental assessments is what you're telling me?

Hon. Mr. Cox: — They're doing the follow-up to that to make sure that everything has been done the way it's supposed to have been done, and this is the final year. Like 104,000 this year will be the final amount.

Ms. Sproule: — Is it all in relation to birds? I have to ask.

Hon. Mr. Cox: — Okay that is a result of the project where we opened the channel from Fishing Lakes on downstream. So it went through an area with birds and wildlife, so they went out

and did the follow up because that was part of the condition that we had the EA [environmental assessment] approved to do the work. So they had to do the follow-up to make sure that anything was mitigated that needed to be.

Ms. Sproule: — And how are the birds? Do we know? Are they good? They're doing . . .

A Member: — We put the final report . . . [inaudible] . . . and we haven't gone through it entirely, but I think the project was successful and not much impact.

Ms. Sproule: — I'm sure we're . . . [inaudible] . . . I don't know if Hansard got that.

Hon. Mr. Cox: — Okay. We haven't read the full report, but anything we've seen indicates that everything is fine as far as the birds and wildlife are concerned.

Ms. Sproule: — That's very good to hear. thank you. One last question before I think my time is up. In 2015 you had a payment to McDougall Gauley LLP, barristers and solicitors, for \$126,278. Could you share with the committee what that work was for?

Hon. Mr. Cox: — Okay, there's two cases that were from 2011 from the flooding situation from two landowners downstream from Rafferty dam. So we hired outside lawyers to handle that for us. Deren was the last name, and LaCasse the other name versus WSA, flooded land. And there is a third one that's still ongoing, so I'm not at liberty to comment on that.

The Chair: — Well thank you very much for that answer, and all answers you and officials have provided this afternoon and this evening as we are now. Mr. Cox, do you have any final closing remarks you'd like to make?

Hon. Mr. Cox: — Yes, I would guess I'd just firstly like to thank you, Mr. Chair, and thank you, committee, and thanks for the questions this afternoon. And I would like to give a very special thank you to all of our officials that are here today and have done such diligent work. I certainly appreciate all that you do every day and certainly all that you've done to prepare for today. Thank you all.

The Chair: — Thank you very much. On behalf of the committee again, thank you very much. It is 6:09 p.m. We are past the agreed upon time, just past, and I will say that now this committee stands adjourned until Monday, June 20th. I would like to ask — I'm sorry; I didn't think we had to since we are past the agreed upon time — a member move a motion of adjournment. Mr. Doke has moved. Are we in agreement of that?

Some Hon. Members: — Agreed.

The Chair: — Carried. Again the committee stands adjourned until Monday, June 20th, 2016, at 3 p.m.

[The committee adjourned at 18:10.]