



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

Ms. Colleen Young, Chair
Lloydminster

Ms. Vicki Mowat, Deputy Chair
Saskatoon Fairview

Mr. David Buckingham
Saskatoon Westview

Mr. Terry Dennis
Canora-Pelly

Mr. Delbert Kirsch
Batoche

Mr. Warren Michelson
Moose Jaw North

Mr. Doug Steele
Cypress Hills

[The committee met at 15:01.]

The Chair: — Welcome, everyone, to the Standing Committee on the Economy. Today we have sitting in on the committee myself, Colleen Young, as Chair. In for Vicki Mowat is Cathy Sproule. We have committee members David Buckingham, Delbert Kirsch, Warren Michelson, Doug Steele, and sitting in for Terry Dennis is Hugh Nerlien.

I'd like to advise the committee that pursuant to rule 148(1), the supplementary estimates for the following ministry were committed to the committee on November 29th, 2018: vote 26, Environment.

**General Revenue Fund
Supplementary Estimates — No. 1
Environment
Vote 26**

Subvote (EN10)

The Chair: — We will now begin our consideration of 2018-19 supplementary estimates — no. 1 for the Ministry of Environment, vote 26, wildfire management (EN10).

Before we begin, I'd like to ask all officials to please state your name for *Hansard* records the first time you speak. Minister, if you'd like to begin by introducing your officials that are here with you today and any opening remarks you may have.

Hon. Mr. Duncan: — Thank you very much, Madam Chair. It's a pleasure to be here with the committee to discuss the supplementary estimates for the Ministry of Environment. With me today to my left is Lin Gallagher. She's the deputy minister. To her left is Veronica Gelowitz, the ADM [assistant deputy minister] for corporate services and policy division. Seated to my right is Steve Roberts, executive director of wildfire management. Behind us is Cheryl Jansen, director of corporate services. And Tyler Lynch, my chief of staff, is here, over there.

So the ministry's 2018-19 appropriation is 159.537 million. The ministry is requesting an additional \$20.225 million. The wildfire management subvote is forecasting an overexpenditure resulting from large early-season fires near Prince Albert, Southend, and Meadow Lake that threatened values at risk. Although the number of wildfires in 2018 is slightly below the 10-year average, the majority occurred within wildland-urban interface areas, driving the suppression efforts and costs.

Given the early wildfire season in Saskatchewan, we were able to provide assistance to other jurisdictions. Personnel were sent to fight fires in Ontario, Quebec, and British Columbia, and aircraft was sent to Prince Albert National Park, Ontario, Oregon, and Montana. Although Saskatchewan incurred an overexpenditure of over \$3 million as a result of this assistance, the province anticipates recovering approximately \$6 million. With that we would be pleased to answer any questions.

The Chair: — Thank you, Minister. I'll now open the floor to any questions from committee members and I'll recognize Ms. Sproule.

Ms. Sproule: — Thank you very much, Madam Chair. Thank you, Mr. Minister, and welcome to the officials. I guess just some background, maybe, information on the fires that occurred this year. You mentioned the interface with urban and forest boundaries. Could you just elaborate on that a little bit more?

Mr. Roberts: — Steve Roberts, executive director, wildfire management. Wildland-urban interface areas are the pieces of the forest that are immediately adjacent to communities, residences, parks, subdivisions that would occur where wildfire can actually directly impact the community. So we do not see those in the grassland parts of the province, but we do see them in the forested parts. So they remain the highest priority for the wildfire management branch, to suppress fires in those zones because they pose a direct community threat.

Ms. Sproule: — Are any of the areas in question part of the Island Forests? I don't know what to call them. There's five or six Island Forests, if I'm correct, in the province. Were they affected by fire?

Mr. Roberts: — Actually, no. They were in the provincial forest. The closest was just west of Prince Albert near Crutwell. But it was not in one of the two Island Forests, for instance, by MacDowall or Fort-à-la-Corne.

Ms. Sproule: — Thank you. I went back to estimates from 2009-10, and at that point your estimate for wildfire management was \$102 million. I believe this year's budget — I'm just going to pull the exact number — was \$61 million. So that's a significant drop in the estimates for wildfire management. I'm just wondering why it was so low in the estimates to begin with.

Mr. Roberts: — The wildfire management budget, we put some dollars in the fund for what we call direct fire expense, variable fire budget. That is a placeholder for actual direct suppression activities. In an average year, those funding allocations would be appropriate. In any season where we have above average, either large fires or a large number of fires, we will over-expend that amount. And that's what's happened in this fiscal year.

Ms. Sproule: — Could you share with the committee the overages in the past five years, for example?

Hon. Mr. Duncan: — Thank you for the question, Ms. Sproule. So going back to . . . I just have going back to 2011-2012 on the variable budget in terms of what we budgeted for and what we were over or under, in some cases.

So starting in '11-12, we would have been under budget on the variable budget by 5.8 million; the following year, 3.1 million; 600,000 the following year. So now I'm into the next year — it would be 2014-15 — 274,000. Then in '15-16 we would have been over by 77,000; '16-17 over by four . . . Sorry, 77 million. Sorry about that. And then 4.7 million in '16-17; and '17-18, 21.25 million; and then 2018-19 is 14.9. And that's on the variable component of the budget.

Ms. Sproule: — I'm not sure I understand what you mean by variable component of the budget.

Ms. Gallagher: — Lin Gallagher. We notionally separate our

budget into what we call our operating budget, which we require even if we don't even fight one fire, so that we're prepared to run our office, to have the helicopters ready, to have staff ready, all of that work. So that's our operating budget.

Our variable budget is what extra money that just fights fires. And so we generally work to fund our five-year average and ensure that we have that funding. But if it's a low year, we'll work with returning that money to the General Revenue Fund. If it's a high year, we need to return for supplementary estimates.

Ms. Sproule: — So if I understood you correctly, Mr. Minister, for the first four years that you were under, and then the last four years you gave me were overages. I wasn't clear.

Hon. Mr. Duncan: — So for this eight-year time period that I gave you, for the first four of those years we would've been under budget and the last four of those years we would've been over budget.

Ms. Sproule: — Are you concerned that there may be a trend here and that perhaps the budgeting should be more accurately reflecting the reality that you're experiencing in the last four years?

Hon. Mr. Duncan: — So I think just in general, we do look at what that trend looks like and so we will make adjustments where we need to. But we look at it over a longer time frame to see what that trend does look like. I think '15-16 obviously at \$77 million in the variable budget is a pretty extraordinary year, and so we factor in taking . . . not necessarily taking that out but ensuring that we're mindful of the fact that that has an influence on what that average looks like and what that trend does look like. But certainly we do take into account what the trend line looks like.

Ms. Sproule: — You indicated that it's a longer time frame. What is that time frame?

Hon. Mr. Duncan: — So we will look at . . . Certainly we use a 10-year average, and so in this case when you take out that '15-16 . . . I don't want to say anomaly, but certainly an outlier year, that 10-year average, we would be in line with where we are today. But you know, we'll look at kind of a 10-year average but we'll also look at what the last number of years have been like as well.

Ms. Sproule: — I guess I'm wondering what factors you take into account regarding the . . . We know the forest was very dry, for example, last fall. Is that something you'd take into account when setting your budget amounts?

Mr. Roberts: — When we look at our budget, we allocate for an average year. And as we approach the fire season, we'll look at what the actual weather and forest looks like. That will generate us to increase or reduce our preparedness.

So for instance, two years ago we had to bring crews back early, and we adjust accordingly because we had an early spring. And this year it was basically on time but, you know, we adjust that. And we'll also, you know, ramp up or ramp down, you know, for instance when our aircraft are available, whether we want to bring on extra aircraft. So we will respond to the potential hazard so that in the event that we do have to respond, we'll be ready for those even if it's a multiple fire event.

Ms. Sproule: — I notice that a number of the supplemental estimates deal with crop insurance and environment in terms of climate issues that we're experiencing. And I'm just wondering if you factor in through Prairie Resilience any of these concerns when it comes to the budgeting process.

Ms. Gallagher: — I think that we are starting to recognize a trend, and work that's going on in government, across government is looking at what are the risks with climate change. We're starting to, you know, look at what are the top risks, and with climate change you have flood, drought, fire — those are all things.

[15:15]

And so we're starting to look at how can we manage that, both through preventative measures . . . And so I think as we look at our budgets, we're working towards what can we do to do more work around . . . Specific to wildfire management, we increased our budget for mitigation, to do more wildfire prevention by removing fuel load around communities. So we'll continue to do that work. And as well, you know, we're noticing that this is a continuing trend and are looking at that as we start to prepare future budgets.

Ms. Sproule: — Yes. I know you refer to '15-16 as an anomaly, but I think if drought continues, that may become the norm. So it's just a matter of fitting it into the time frame.

When you're doing the budgeting process, is there pushback from treasury board if you feel that there are indicators that you will need more funds for all of these things, mitigation in particular? Because we know the pressure is to have a balanced budget. So at what point can you sort of make the case to treasury board that this is real and needs to be reflected in the budgeting process and not at supplemental estimates?

Ms. Gallagher: — I would answer that by saying I think, you know, at the end of the day, we don't have a choice. We have principles in how we will fight fires and make sure that we protect the values. So you know, whether we're at supplemental estimates or whether we have that funding in advance, we continue to work to ensure that we are properly funded as part of our operating budget, so those funds are available to us.

And then with the variable fire, I think over time as we're . . . You're right. Since 2015 we have noticed that it is increasing over time, and so it's a matter of it needs to be paid for. Whether we are able to be predictive ahead of the game or whether we cover those costs as part of supplemental estimate, the funding is part of the government's plan.

Ms. Sproule: — Absolutely. I guess my point is that at budget time the pressures are to have the lowest number possible in order to keep the deficit as low as possible. We're looking back again at 2011 where it was \$100 million and now it's down to \$60 million. I'm just wondering how you deal with the pressures to keep that number as low as possible, knowing full well that we'll be back again in November or December of next year having the same discussion, without those numbers actually being reflected in the budget when the budget is brought down in March and that's when all the attention is being paid. So if this is a trend, do you see that this amount will increase back up in future years?

Hon. Mr. Duncan: — So I think that certainly the treasury board process and treasury board I think understand the requirements that we have as a branch and as a ministry to fulfill our obligations. I would say that certainly on the capital side in terms of the renewal of the aircraft fleet, treasury board has been very supportive of that, and we've had some significant capital injections into previous budgets. Even in not the last budget but two budgets ago, I think overall in fact, treasury board ultimately recommended a number that was a bit . . . that was higher than what we were even going in for in terms of an ask.

So as a part of the treasury board process and the back-and-forth discussion with the analysts and with the officials and with Steve and the deputy minister and others, and then through that process, you know, do we get everything that we want every year? No. I would say no. But I think certainly we feel like treasury board has supported the needs of the branch and of the ministry over the years.

Ms. Sproule: — Thank you. I'm just wondering if you could give the committee a breakdown of that 20,225,000. And particularly I'm curious about the 225,000, how that got tagged on. And is there a reason why it's not a round number?

Ms. Gelowitz: — It's Veronica Gelowitz. There are a number of variables that we forecast when we're trying to determine what the estimate is. And the number of variables we try to get as close as possible, so they don't come out to a round number.

Ms. Sproule: — Just generally too, what does the \$20 million represent?

Ms. Gelowitz: — Okay. There's overtime certainly is a large portion of that, professional services, emergency fire personnel, rent of equipment. The large portion is rent of aircraft, helicopters, for an example. Another large portion is gas and jet fuel. There's foam retardant, First Nation contracts with crews, employee travel. Those are the big ticket items. Rent of other types of equipment.

Ms. Sproule: — Thank you very much, Madam Chair. I don't have any more questions.

The Chair: — All right. Seeing that there are no further questions, the 2018-19 supplementary estimates — no. 1, vote 26, Environment, page 11, wildfire management, subvote (EN10) in the amount of 20,225,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Environment, vote 26, 20,225,000.

I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2019, the following sums for Environment in the amount of 20,225,000.

Mr. Michelson: — So move.

The Chair: — So moved by Mr. Michelson. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Minister, if you have any closing remarks that you would like to make, please do so at this time.

Hon. Mr. Duncan: — Thank you, Madam Chair. Just really quickly I want to thank the officials that are here as well as the ones that you don't see here at the committee but helped to prepare us for today. I want to thank the members of the committee. And, Ms. Sproule, I want to thank you for your questions as well.

The Chair: — Any closing comments, Ms. Sproule, you'd like to make?

Ms. Sproule: — Sure. Thank you, Madam Chair. I'm really excited that I got all the officials on the mike today. So that's sort of, you know . . . Not that I'm keeping track, but thank you all for your answers. And thank you, Mr. Minister. I do miss being the critic for Environment, so it was nice to be back.

The Chair: — Thank you. Seeing that we have no further business, this . . . Oh, sorry. I also need a motion to present this report to the Assembly. Committee members, you have before you a draft of the sixth report of the Standing Committee on the Economy, and we require a member to move the following motion:

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

So moved by Mr. Buckingham. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. All right. Seeing that we have no further business this afternoon, I will ask a member to move a motion of adjournment. Mr. Nerlien so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee now stands adjourned to the call of the Chair.

[The committee adjourned at 15:26.]