

EVENING SITTING

COMMITTEE OF FINANCE

General Revenue Fund
Agriculture, Food and Rural Revitalization
Vote 1

Subvote (AG01)

The Chair: — I recognize the Minister of Agriculture, Food and Rural Revitalization to introduce his officials.

Hon. Mr. Serby: — Thank you, Mr. Chair. I have with me today, seated next to me, is Gordon Nystuen, who is the deputy minister. Directly behind me is Hal Cushon, who's the assistant deputy minister. Next to him is Karen Aulie, who is the director of corporate services branch; and next to her is Ross Johnson, who is the manager of operations and services branch.

And then deep in the back row there is Louise Greenberg, who is the assistant deputy minister; Maryellen Carlson, who is the assistant deputy minister; Greg Haase, who is the director of lands branch; and Dave Boehm who is the director of the financial services branch.

Those are my officials, Mr. Chair.

Ms. Harpauer: — Thank you, Mr. Chair. And I want to welcome the minister and his officials here tonight.

When we finished on Friday I was asking questions of the APF (agricultural policy framework). I have three rather brief questions, I think, on the APF.

When we concluded on Friday the minister had stated that Saskatchewan would not be administering their own super NISA (Net Income Stabilization Account) program. It's my understanding that the other provinces are interested in administering their own program, and including Manitoba is considering that a possibility this time which they did not do with CFIP (Canadian Farm Income Program).

Could the minister give us an explanation of why he wouldn't want to administer his own program? It would create jobs here in Saskatchewan. It would mean that we would have the farmers . . . or the producers would have better access to the workers in the office. And is there a particular reason why he chooses not to administer his own?

Hon. Mr. Serby: — Mr. Chair, the officials advise me that because it runs off the tax system, it would be really easier for the federal government to administer it. And if you had one administration arm that were to look after the entire Canadian program, we think it would be cheaper. And so our sense is that if we can encourage the national government to operate it, it would be much more effectively done from the perspective of cost and because it's . . . the data will be collected off the tax system, that makes more sense that the federal government would in fact oversee it.

Ms. Harpauer: — I'm not sure if I entirely agree with the

minister, but will the forms for the new NISA be due the same time as the tax forms? Our old NISA, of course it wasn't due at the same time. It was therefore easier for the accounting offices to deal with both. It meant that they could consistently have employment. And I have been told that they will both be due at the same time which will mean that it will be quite overwhelming for our accounting offices and our accountants. So does the minister know when the new program will be due, when the forms will have to be submitted?

Hon. Mr. Serby: — Mr. Chair, my officials advise me that we don't have the exact time frame yet because those time frames are still being sorted out with the federal government in terms of when the information would be provided of which the data would be tied to. Those periods have not yet been confirmed and so we're not able to provide you with that detail yet today.

Ms. Harpauer: — I thank the minister for that answer and I would encourage him then in further negotiations to bring that to the attention of the federal government because I can see the accountants' concern. They have to hire seasonal help to handle income tax and they have to train them and therefore they will have to hire additional seasonal help. But it's always better if we can have full-time positions in the accounting firm so . . .

The last question I have on the APF has to do with the transition fund, the 600 million that last year was allocated through the producers' NISA accounts. Has there been any word from the federal government when they're going to allocate this year's \$600 million transition fund, and how?

Hon. Mr. Serby: — Mr. Chair, prior to the BSE (bovine spongiform encephalopathy) work that we've been working on, our sense is that it will be . . . The \$183 million is the amount that it looks like Saskatchewan will be entitled to again and that it will be made payable directly to producers is the way in which we had the last conversation, as opposed to I think some sense was that it might go through the NISA accounts as they did this year. It's our view that this will go . . . these payments will be made directly to the producers.

This is the last conversation we had prior to the BSE, and we haven't had any more detail on that since those discussions.

Ms. Harpauer: — I would like to refer now to subvote (AG09), which is the Agri-Food Equity Fund. Could we please get a list of all debt and equity investments held by the AFEF (Agri-Food Equity Fund) as of March 31, 2002; a list of all debt and equity investments held by the AFEF as of March 31, 2003; and in addition a list of all the debt and equity investments held by the AFEF as of today?

Hon. Mr. Serby: — Yes, Mr. Chair, we can make those available to you in short order.

Ms. Harpauer: — I thank the minister and I'll be looking forward to his response.

In the case where the AFEF held a debt or equity investment at the beginning of the 2002 fiscal year but either renegotiated, added to, or divested some or all of an existing investment, could he provide the details of each transaction, including the

value of any new investment and proceeds from any divestment? Could he also supply that information?

Hon. Mr. Serby: — Mr. Chair, we can certainly do that. We would ask if the member would tell us what the start date would be that she would like the information from and that would be helpful for us in terms of collecting the information for her.

Ms. Harpauer: — I would like if that would start at the beginning of 2002 fiscal year. And in addition, in the case where the value of an investment was written down or written off, could we get a list of the name of the investment and the nature and value of the transaction and the reason for the transaction that took place?

Hon. Mr. Serby: — Mr. Chair, certainly we'll have that to the member.

Ms. Harpauer: — Mr. Chair, could the minister tell us what organization, government department, agency, or Crown corporation manages the AFEF portfolio?

Hon. Mr. Serby: — Mr. Chair, financial programs branch of department of Ag, Food and Rural Revitalization look after that fund.

Ms. Harpauer: — And the last question on this subvote is, is the AFEF in a position to make any new investments?

Hon. Mr. Serby: — Mr. Chair, we can only in those investments that we already have investment in. So we can add to those, but we can't take on new ones.

Ms. Harpauer: — I thank the minister for those answers and I'll be looking forward to the information that he could provide for me, and I'm going to turn the questions over for a minute to the member from Redberry Lake.

Mr. Weekes: — Thank you, Mr. Chair. To the minister, my question's concerning the game farming industry. And could you just give us an update on the status, the health status of the game farming industry in Saskatchewan?

Hon. Mr. Serby: — We have about 40,000 head right now that are in the . . . that would be in the tent that we would consider as being within the game farming perspective. Of that, we have had about 229 animals that have tested positive, and of those numbers we have now put down just over 8,000 head over the period of the last couple of years.

That would be sort of generically around the game farming industry. Now if the member is asking about the number of animals in each one of the species, we'd require a bit more work to provide that for you.

Mr. Weekes: — Thank you, Mr. Chair. To the minister, how many herds have been quarantined in that period?

Hon. Mr. Serby: — About 30 herds have been quarantined.

Mr. Weekes: — When was the last positive test for chronic wasting disease on a game farm in Saskatchewan?

Hon. Mr. Serby: — About 14 months now.

Mr. Weekes: — Thank you. A question is concerning quarantined ranches. I understand there is four ranches that were quarantined for a considerable length of time, I believe three years or five years. You could correct me on that. What are the terms of that quarantine?

(19:15)

Hon. Mr. Serby: — Of the four quarantined farms — and as the member would know, the decisions about lifting the quarantine is really with the federal agency — of those four that are quarantined, I'm told by Dr. Greenberg that three are now in the capacity to grow crops. Three of them can now grow crops, those that are quarantined. The other one is . . . The land is still idle, so it's not in any use at this point in time. But all four of them are still under quarantine.

Mr. Weekes: — Could the minister explain how long before the quarantine would be lifted on those four ranches, and what are the terms and conditions that have to be met before it's lifted?

Hon. Mr. Serby: — The decision would . . . It really does remain with the federal government, and I expect that the lifting of the quarantine would be an assurance that the food safety chain would not be affected by lifting the quarantine off the lands that are currently under quarantine.

Mr. Weekes: — Thank you, Mr. Chair. To the minister, I know there's compensation for the animals that have been killed, that have chronic wasting disease in their herds. But is there any compensation for the ranches that have been quarantined and that are not allowed to have any other livestock on there, whether they be cattle or game farm animals?

Hon. Mr. Serby: — Mr. Chair, the compensation has only been for the animals that have been put down, as the member has described. There has been no other compensation for any other purpose to the other farmers.

Ms. Harpauer: — Thank you, Mr. Chair. Mr. Chair, that completes our questions for tonight. It's unfortunate that we didn't complete it on Friday since we only took 20 minutes, but the House Leader decided to adjourn even though he knew that we only had a few minutes left.

So it was very tolerant for the officials to come in, and we appreciate that, that they came in in the evening to have only 20 minutes of questions. So I thank the minister and I thank the officials and I have no further questions.

Hon. Mr. Serby: — Mr. Chair, I too, before my officials leave, want to thank the member for their questions . . . the members for their questions in taking us through the department estimates. We all know how important the Department of Agriculture and Food is to the, not only the supply of safe food in our province, but the advice that we get on an ongoing basis about how we build the agricultural industry in Saskatchewan.

So before we leave the estimates, I want to also take this occasion to thank the officials from my department who do, in

my view, a tremendous amount of work not only in making sure that the minister is well informed but also the public, and as well as ensuring that we have in Saskatchewan, in my view, an agricultural department that is exceptional. A small team of men and women and the credit of providing good food safety is to a large degree in part to their leadership.

So this evening I want to thank them, Mr. Chair, as well as the official opposition for the work that we've been able to accomplish in doing the estimates for the people of Saskatchewan. Thank you.

Hon. Mr. Hagel: — Mr. Chair, I move that the committee report significant progress on the Department of Agriculture, Food and Rural Revitalization and move to estimates, the Department of Community Resources and Employment.

**General Revenue Fund
Community Resources and Employment
Vote 36**

Subvote (RE01)

The Chair: — I recognize the minister to introduce his officials.

Hon. Mr. Hagel: — And thanks again there, Mr. Chair. The officials assisting with estimates today, to my immediate right, Bonnie Durnford, deputy minister; to my immediate left, assistant deputy minister, Darrell Jones. And then directly behind me is assistant deputy minister, Shelley Hoover; to her immediate right, Bob . . . No, we have Don Allen, executive director of finance and property management. And to his right is Bob Wihlidal, assistant deputy minister.

Behind the bar, Mr. Chair, a number of officials including Larry Chaykowski, executive director of housing operations; Phil Walsh, executive director, employment and income assistance; Marilyn Hedlund, executive director of child and family services; Deborah Bryck, director of child care; Dorothea Warren, associate executive director, child and family services; Betty West, acting executive director of community living; and Jan Morgan, acting director of career and employment services, Mr. Chair.

Mr. Wiberg: — Thank you very much, Mr. Chair. Welcome this evening, Mr. Minister, and certainly welcome to your officials. It's a pleasure to be able to have Community Services up here again for another go around. And as you know, Mr. Minister, you have a quite a large and important portfolio, and so it takes many sessions of work from this side of the House and from your side of the House to go through your estimates.

Mr. Minister, I'm wondering if you could elucidate for me and for the opposition and for the House, Community Services' position, and whether you have one, in regards to home schooling?

Hon. Mr. Hagel: — Mr. Chair, the department would have no position in regard to home schooling. That would be a subject that would be a matter for the Department of Learning.

Mr. Wiberg: — Mr. Chair, to the minister, I guess we're going

to be somewhat confused here for awhile until we can get some light thrown on this subject because certainly I'm working on a situation right now where your department has taken a position on home schooling. And an unfortunate circumstance has arisen where one of your clients actually does home schooling and has been put in a position of awkwardness in regard to this matter. And your department has advised her that as long as she continues to home school, then she will no longer be able to receive assistance from Community Services.

And so I'm wondering, Mr. Minister, if you would be able to enlighten us as to why that kind of a scenario would have arisen. The person I'm referring to is a single mother, a widow, and I'm wondering has circumstances changed in your department where we have become, as a society, less caring. And I don't think that that would be on the table at all, Mr. Minister.

But I'm wondering if you have . . . be able to enlighten us as to why your department would take a position as to why someone could be removed from the rolls of assistance because they home school?

Hon. Mr. Hagel: — Mr. Chair, the hon. member I suspect is aware that it is not only improper but contrary to the law for both he and I to engage in discussion of the particulars of a case. And I also acknowledge that's not what he's suggesting is to get into identifying specifics. He has not done that at this point in time.

Mr. Chair, having said that, I think it would be rather futile to get into an exchange which involves speculation. And I think probably the best course of action is if the hon. member would like to provide for me the specifics of the case that is of concern to him, that I would be happy to follow that up and attend to it in that way. I think that's probably the most appropriate and also the most productive way to deal with it. Quite honestly, given the information they have, I don't think it's possible for us to productively deal with it in the course of estimates.

Mr. Toth: — Thank you, Mr. Chair, Mr. Minister. Mr. Minister, over the past number of weeks we've discussed a number of issues regarding your department and some of the concerns that have been raised, and I have a few I'd like to talk about tonight.

First of all, regarding housing. Sask Housing has now been moved under your ministry and your responsibility of your department in regards to housing for low- and middle-income families.

Mr. Minister, maybe we could begin by basically just letting us know exactly how many housing units the province will be building . . . any or if you're continuing to build or fund the construction of housing units. And what budget do you have for that program and where these housing units may be built? As you're . . . I'm sure, Mr. Minister, you're probably aware of the fact that there are communities across the province that find themselves in situations where they are lacking . . . They do have personnel living within or would come to the community — low-income jobs — and probably in many cases finding themselves in a situation where housing is fairly limited.

For example, the community village of Windthorst has written recently, and I believe they were applying under the centenary affordable housing program, wondering about some seniors' housing for their community. And that would be one of, I'm sure, many letters that your office has received.

So, Mr. Minister, I'm wondering if you could just fill us in as to where you're going this year in regards to housing, and the process, whether or not you're into constructing new housing units for low- and middle-income families.

(19:30)

Hon. Mr. Hagel: — Mr. Chair, I think the program that the hon. member refers to, which is the only program that we have available to us at this point in time that is intended to address the capital expenditures for construction of affordable housing . . . And I just want to point out the hon. member in introducing the housing subject referred to housing for low and middle income. I think may have been just a mistake. It's low and moderate income is the level that housing is targeted towards.

We have some funds available for affordable housing. And again just for the record so as to avoid confusion, as distinguished from social housing, social housing being housing where the rent is a percentage of income. Affordable housing then will be medium, will be largely moderate, moderate income folks, and it will be also targeted towards ownership.

We have the centenary affordable housing program. It comes about as a result of an agreement with the federal government that was signed a year ago, and in fact I'm very pleased, Mr. Chair, to say in the House today that this morning we had the first of the centenary affordable housing announcements in Saskatoon. And in the announcement this morning, it was announced that there will be some \$8 million worth of affordable housing activity in Saskatoon in the first go-round approvals. And what was specifically announced is 36 units for the Central Urban Métis Federation Inc., CUMFI, and 10 units for the Abbeyfield housing in Saskatoon, with another couple announcements to come as soon as the details are worked out.

This comes about as a result of the federal government — thank heaven — agreeing to come back into the world of support for affordable housing. And we have available to us, as was announced in this year's budget, \$46 million worth of federal, provincial, and municipal funding available over the next four years.

The target is that we will produce in Saskatchewan some 1,400 units over the province in that period of time. Of that \$46 million of public funds, it's about \$18.3 million of that is provincial funds. And those provincial funds all come from within our centenary funds of the province of Saskatchewan and therefore the name: the centenary affordable housing program.

Generally targeted . . . And this was described in a call for proposals from across Saskatchewan that we received a goodly number of in February and some more in May . . . described that our target is to have these units at the end of the day be targeted proportionately to how we read the need being in Saskatchewan. And that's roughly in this way, Mr. Chair, that we expect that 70 per cent of them will be targeted for family

use. And why? Because province wide in our assessment of needs, 70 per cent of our needs are family province wide; approximately 13 per cent for use by seniors; six per cent for persons with physical disability; and then the remaining that gives us some amount of latitude.

There will be \$6 million of that public funds . . . is required to be targeted to building activities in the North, and the remainder will be south of that. And we anticipate, I would expect that after all of the building is done that the total capital investment will be in the range of about \$135 million so that on balance each public dollar will generate two private dollars in building activity over the course of the program.

And these are grants. This is very clear. This is not money intended for ongoing subsidies for shelter. We don't have the funds to be able to do that. The federal government clearly does not allow their money to be used in that way. And so these are capital grants through the centenary affordable housing program that are being taken advantage of by co-ops, by private builders, by non-profits as well, Mr. Chair. And as I say in summary then that we expect over the course of the next years, 1,400 units, And over the course of this fiscal year, approximately 400 units we expect to be built.

Mr. Toth: — Mr. Chair, and Mr. Minister, if I heard you correctly, I think you mentioned something about over the period of time 146 million. Did I get . . . 46 million? There was some actual expenditure. I think there was a number of . . . what was that number? I think you mentioned some private investments or whatever, and I'm wondering, Mr. Minister, where would that money . . . would that be individuals themselves investing in some of these properties?

Hon. Mr. Hagel: — Yes, what I was referring to was that the public money that's available by way of grant is \$46 million. We expect then in order to realize . . . That's up-front money to bring down the cost of construction or renovation in the project that is being tackled. The remainder of the expenditure then must be borne by the proponent whether that's a co-op or a non-profit or a private builder who through their own means, rental income, will be primarily . . . I would think in virtually all cases the means of income to support the remainder of the activity.

So we would have . . . Just to summarize it, what we have is federal or, sorry, is public monies that is leveraging private expenditure to increase the housing stock within Saskatchewan. So about \$18.3 million of Saskatchewan money will generate about \$46 million worth of public money when we include federal as well as municipal. And those public monies then will generate another approximately \$90 million of private expenditure.

So when I look at it from a money management point of view, and I look at some \$18.3 million from the Centenary Capital Fund for the province of Saskatchewan that we forecast will generate in the neighbourhood of \$135 million worth of affordable housing activity, that says to me that this is money well spent on behalf of the taxpayers of Saskatchewan.

Mr. Toth: — Mr. Chairman, Mr. Minister, and I guess that's where . . . You mentioned a hundred and some million, and I

know in this letter from the village of Windthorst to the Sask Housing, they talked about the \$135 million generated over the period of time. They referred to the centenary program, and in their request they mention about the need for some seniors . . . more seniors' housing units in their community.

Mr. Minister, outside of what you've already announced, are there any additional housing units that will be built? Would seniors' housing be separate from social and — I wrote it down here — social and affordable . . . centenary affordable? Is that a separate component regarding housing and housing units in the province?

Hon. Mr. Hagel: — No, the senior units that will be constructed are within the confines of the centenary affordable housing program, and that is Saskatchewan's . . . by far this is Saskatchewan's main vehicle for generating building foreseeable over the next four years.

Mr. Toth: — Mr. Minister, how many units of this nature would be built, and will there be any built out of the large urban centres? I think you mentioned about . . . I think you're saying about 1,400 over the next four years, 400 this year. Can you give me a rough idea where some of these will be built and whether a community like Windthorst would fit into a project of this nature?

Hon. Mr. Hagel: — Mr. Chair, perhaps it'd be helpful just to describe the province-wide need. And in doing this, I have to admit what I'm providing is information that would have been available to any of the people who were interested in putting forth a proposal because it was provided to them.

This is a province-wide program. And to put that into context in terms of Saskatchewan's housing shortages, to put it that way, we would estimate that the number of households in Saskatchewan that would have an affordability challenge would be in the neighbourhood of about 56,000 households in Saskatchewan that have some kind of affordability difficulty in terms of access to adequate and affordable housing.

Within that, Mr. Chair, if you were to ask the question: for how many households in Saskatchewan is the issue access to decent quality accommodation . . . And so that either it's not available, or it's a deteriorated condition, the kind of place that they're living in. The answer would be about 17,000. So that if we were to say, how many units do we think it would actually need to come into the system in order to meet those needs for access to affordable quality housing, the answer to that in Saskatchewan would be about 17,000.

This is a program that brings into play over the next four years, 1,400. And so we can see that although it's a significant number, it's still less than 10 per cent of the actual provincial need.

And what we're intending to do is to respond to the proposals, then, basing our evaluations on their merits and both in terms of long-term . . . as they respond to long-term need and the viability. I've described to proponents a number of times, I've said to them this: the housing program, this is not a bricks-and-mortar program, this is a social program. The intention here is not just to construct some walls and windows

and doors that people can live inside, but to ensure that the work that's being done will result in living conditions — whether they're rental or ownership; and Saskatchewan has placed more emphasis on potential ownership more than any other jurisdiction — that those are accommodations that people will still be sustainably living in 10 years down the road.

Now as we've looked at that, then again we've set the general guidelines. And I don't feel a lot of freedom to vary significantly from these because they're fairly clear to us what the province-wide needs are of some 70 per cent targeted to families; 13 per cent targeted to the seniors; and 6 per cent targeted to persons with physical disabilities.

And further in the information that's been provided to proponents, it has been said as well that the priority will go where the need is the greatest. So that we're taking this and responding in a proportional kind of way to the province-wide kind of needs.

And so coming then from that point to the member's question, so where would the need be the greatest? What would be your description of that? It would be when we look at the total needs here in Saskatchewan, the needs will be greatest in the inner cities. In inner-city neighbourhoods is where the housing demands are certainly being felt the most strongly.

There have been two calls now — one in February, one in May — that have been responded to and then there will be other calls over the course of the term of the life of the program. The next I expect to be sometime in the late fall of this year will be another call for proposals. And as we go along, depending on the kinds of projects that are approved, then in order to meet our target of 1,400 units we'll get more and more specific about what kind of projects we're going to be able to fund in order to meet our province-wide objectives, Mr. Chair.

Mr. Toth: — Mr. Chair, Mr. Minister. Mr. Minister, I wonder if your officials or you yourself at some time could let me know exactly what the response was to the request to meet with the village of Windthorst.

(19:45)

I know in the past on numerous occasions you've kind of . . . if something's in the constituency either due to a direct question on my part through a letter, you've sent a note back. Or sometimes even if a letter hasn't arrived directly from me, we've had a conversation, you'll just kind of give me a bit of an update as to a response to a specific request.

So if you wouldn't mind, this letter actually came back on April 22 from the village of Windthorst for a meeting regarding seniors housing units. And so if your officials would just maybe make note of that and maybe get back to me, just let me know exactly what response has been sent back to the village regarding their request.

Another thing, Mr. Minister, in regards to rental housing, you mentioned the fact that the dollars that are available today, while they sound like a substantial amount of money, in reality translate into very few units, housing units.

Probably about a month ago now I met with the Saskatchewan Rental Housing Industry Association. And I understand from the meeting with them, they had met with you personally just a short period of time prior to that. And the major concern that was raised with me, and no doubt would have been brought to your attention as well, is the ongoing problem in collecting rent, especially from people on assistance.

And I understand, Mr. Minister, that while the cheques are made out both jointly, in many cases — and we had this debate last year too; we talked about it, about how the rent is being paid and it's made out jointly — but the facts are the tenant needs to get that cheque off to the landlord. And it sounds to me, Mr. Minister, while we're endeavouring to suggest that we need tenants and welfare recipients to start accepting more responsibility, that many of them are just failing to learn what it means to make sure that your rental bill or rental cheque is handed to the landlord in time, or even handed to the landlord at all.

And one of the issues that was raised was the fact that more and more landlords are becoming more and more reluctant to even rent to welfare recipients because of the failure to have the rent passed on in an appropriate period of time, or even to receive the rent. And I think that might be part of the problem we're having, Mr. Minister, in even private development in the province because of the number of social service recipients who have neglected to pass that cheque on. And as a result, landlords themselves are not prepared to invest in their properties because of the . . . or invest in their properties and rent to welfare recipients because of that.

And one suggestion I would have, and it was brought to my attention as well, Mr. Minister, I would suspect or guess that even in this Legislative Assembly, on the floor of the Assembly this evening, many of the individuals here on the floor, myself included, on many occasions already now we have actually put in place a payment option which is an automatic transfer we've agreed to, we've signed on to. Whether it's a payment on our housing or whether it's a bill to SaskPower or SaskTel, you've got an auto debit on your account.

And I'm wondering, Mr. Minister, if this is something that couldn't be done even with welfare recipients — if, rather than issuing the cheque, if the cheque went into their account or wherever it goes and then the welfare recipient would actually come to an agreement with the landlord that that rental agreement would be automatically deducted from their account, and thereby ensuring that the money flows to the landlord more efficiently and effectively and quickly versus just the cheque going to the recipient who may then just put it in the cupboard and say, well I'll get it to the landlord by the end of the month, but ends up forgetting. And in many cases the landlord still has to move and, as the association was saying, on numerous occasions where it's two or three months down the road when they start threatening eviction that they finally get their funds.

And I don't know if your department or your office has given any consideration to that means of making sure the . . . that method of payment to ensure that rental commitments are met.

Hon. Mr. Hagel: — Okay, thanks, Mr. Chair. The trouble with having a series of questions in your questions is that it takes a

while to get them and you get a series of answers in your answers.

But just going back to the first part of the hon. member's question, Mr. Chair, about the proposal from Windthorst, or the interest from Windthorst I think is more accurate, to the best of my knowledge there has not been an actual proposal that has been submitted from Windthorst. I don't have knowledge of that, but so . . . but they certainly would be most eligible to submit one under the centenary affordable housing program when we do our next call.

However, having said that, the hon. member asks whether there would be willingness for officials to meet with him, and the answer's a clear yes. Without hesitation we would be happy to have the appropriate person or personnel meet with him to discuss their needs and the means by which objectives related to affordable housing can be achieved. So that's . . . There's no doubt about that.

On the matter of joint payment. As the hon. member says, this is something that he and I have discussed before and we have to put it into the context of the Building Independence objectives. And I know that the hon. member understands that as well, and that our key objective is for the province of Saskatchewan in the social assistance program to support as much as possible the independent, self-sufficient function of the citizens of Saskatchewan in maintaining their own needs. And part of that then comes to the responsibilities of money management, and included in that then, responsibilities to make payments for the place you live.

I do want to remind the hon. member as well . . . I know that he will be aware that there has been legislation passed in Saskatchewan that specifically prohibits under human rights that a landlord would deny a potential tenant the opportunity to rent the facility purely and simply on the basis of being a social assistance recipient. And so it's important that when we have our discussions it is in the context of the law. Having said that, of course landlords are always welcome to be asking for references and that sort of thing, and it happens all the time. But I do want to make that point.

On the matter of joint payment then, I freely admit that it has been my direction to the department to as much as possible, as I said, to support people responsibly managing their own affairs — not building a dependency on the province managing their finances for them, but managing their own affairs. And this has led then to workers on a case-by-case basis to assess whether individuals have that capacity of successfully managing their own finances.

For the information of the member, the most recent statistic I have is June 2002 — so that would be an 11-month-old statistic, but it is the most recent I have — is that in June 2002, 55.1 per cent of social assistance recipients are involved in joint payment. So in fact it is still the case that in Saskatchewan the majority of households receiving assistance are involved in joint payment kinds of arrangements. The number has been coming down.

And certainly if a landlord is aware of an individual who is not involved in joint payment, brings that to the attention of the

Department of Community Resources and Employment, then we would address that in the context of supporting what is necessary to aid a person into getting their bills paid, their obligations met, but at the same time reinforcing the expectation that people will be managers of their own money. That's what we want at the end of the day.

And part of that, again I go back to a discussion we've had a number of times. When we've looked at the reorganization of the Department of Community Resources and Employment and bringing . . . Why do you bring under the same policy umbrella income assistance, as we have, and the employment supports, for example, which is now a branch of the department? Income and employment together — why do you do those kinds of things? It's because we intend, as much as possible, to use the resources of the taxpayers to provide the supports that people need; but secondly, in a way that supports people being independent and self-sufficient.

And that clearly has to be, I think, the public obligation to the individual citizen as well as to the taxpayer, who would surely want our policies to promote people reducing and ultimately eliminating — if that's possible for them to do — their requirement for support, for public support, and on the other hand acquiring the ability to be self-sufficient. So it's in that context that the policies are there. And as I say, it can be dealt with on an individual basis. The majority of recipients at this point in time then are involved in joint payment kinds of arrangements.

Mr. Toth: — Mr. Chair, Mr. Minister, in the situations where joint cheques are issued and the joint cheques aren't arriving in the landlord's hands . . . and I think, Mr. Minister, as I indicated earlier, and I apologize for the fact that yes, I probably got into four or five or six questions, but we have . . . And no doubt you, sir, are like many other residents in the province of Saskatchewan, now have come to agreements with lenders or whatever where you've got auto debit payments on different accounts.

And if I would . . . It would seem to me that if a customer . . . Pardon me, if a client is — and you've got joint cheque being issued — but if the client is having difficulty, for some reason or other just doesn't get at it and get the cheque delivered, would it be conceivable to have the client come to you and suggest, you know, why don't I just enter an agreement whereby the cheque is issued directly to the landlord? It's in joint owner . . . It's in joint names but I will . . . As if I were to make, ask a business to direct debit, I would sign an agreement whereby that debit would automatically come out of my account to cover that bill.

Would that be something the department could look at and thereby allow those funds that may get misplaced and not issued on time, if the client so desired, allow that to move directly to the landlord?

Hon. Mr. Hagel: — Mr. Chair, I appreciate the question by the hon. member. He may be interested to know that in fact Saskatchewan is one of the few provinces that does issue the joint payment. Most provinces in Canada in fact just have a straight policy of issuing the funds directly to the client.

So in the Canadian context we're — as the pendulum swings — we're closer to the end of the swing of the pendulum that involves joint payment.

Again I want to respond to this in many ways. What we're talking about here is not so much a technical question as it is a question of strategy, of support for individuals. And it is the bias of the Department of Community Resources and Employment that the best approach that we can take is to not remove the client from the responsibility loop — that ultimately, at the end of the day, it would be my hope that the individual citizen who is requiring social assistance today will ultimately, if possible, be able to find a way to no longer require that.

And therefore it is the policy of the department that the payments will either be made directly to the client or jointly to the client and the landlord.

(20:00)

One exception to that, and I know the hon. member is aware of this because he's raised this in the matter of discussion with me personally as well as in the House in previous estimates, would be then where there is a case of trusteeship, where it is judged that the individual is purely and simply at this point in time — and maybe for a long period of time, maybe not — but at this point in time is incapable of managing his or her financial affairs and therefore a trustee is put in place who will then be working together with the client to ensure that financial obligations are met.

But that is recognized, I think, that it's by far the exception, and it would be a circumstance that would be put in place when it is judged that the individual is incapable, simply incapable of managing their own financial affairs.

Mr. Toth: — Mr. Chairman, Mr. Minister, I move on because time is slipping away on us. Mr. Minister, maybe you could just update me as to what the current levels for housing rates are. I think there's probably two — if I'm not mistaken — two fees, urban and . . . like an urban and a rural where it's a little higher for rental fees. What I'm looking for is what would be allowed for housing.

And secondly, Mr. Minister, the question that arises is . . .

An Hon. Member: — You're talking about in the shelter allowance?

Mr. Toth: — Yes, sorry about that. Yes, and the second question that arises from that, has the department given any consideration to increasing that shelter allowance, as that was another issue that was raised. The fact that in many cases . . . And I know it really varies in Regina. But it would seem to me very difficult to find a shelter that would fall within the allowance that's offered by the department.

And I'm wondering, Mr. Minister, what response has been taken in regards to the shelter allowance and whether or not it's meeting the needs of the available spaces that are out there.

Hon. Mr. Hagel: — Mr. Chair, I'm well aware of the

discussion the hon. member had with the Saskatchewan landlords' group who, as he knows, I met with as well earlier this year. And I do understand their concerns for the shelter rates reflecting the market realities.

There are three different categories in Saskatchewan that will in some cases, not in all cases but in some cases, bring a different maximum in certain household circumstances. There's tier 1, tier 2, and tier 3. And in tier 1 then are Regina, Saskatoon — Saskatoon includes Martensville and Warman — Prince Albert, Lloydminster, La Ronge, Yorkton, Melville, Weyburn, and Estevan. Those are all tier 1. Tier 2 are Moose Jaw, Swift Current, North Battleford, Battleford, Melfort, Nipawin, Fort Qu'Appelle, Kindersley, Rosetown, Humboldt, and Dalmeny. And then in tier 3 are towns and rural areas.

And those will be differentiated by the market norms. That's generally what will guide whether, for example, Prince Albert's is in tier 1 and Moose Jaw, which is a city of similar size, is in tier 2 . . . is guided by that.

On the matter of shelter allowance, the hon. member will be aware that this is a category that hasn't had an increase for some time and it is of concern to a good number of people and it certainly is to me as well. What is important to me, and this is why in part I am so determined that we are going to make maximum use of the centenary affordable housing dollars that we've got in order to support access to affordable, decent places for low- and moderate-income — not just families — households in order to live and why it's important to increase the stock that we've got available.

It is important to me that if we are to increase the public expenditure that goes into public housing . . . into support for low-income families through social assistance, that it's . . . there's got to be, from my point of view, something more involved than just raising the rates.

And this is part of the discussion I had with the landlords' group on more than one occasion and will continue to have as we consult. It is important to me that if we're spending public dollars to support Saskatchewan citizens to live, to meet their accommodation needs, that if we're going to increase that, I want to see some way of bringing an increased assurance of quality of accommodation into the picture.

And from my point of view, in order to seriously consider moving the shelter rates, paid for by the taxpayers of Saskatchewan to support Saskatchewan citizens, that I want to see that there will be some improved ability to assure that those public dollars are being spent on adequate kind of living accommodations for Saskatchewan citizens.

And to me at the end of the day that's an important policy question. I invite input in addressing that specifically from proponents. I'll welcome any discussion from any part of the province to deal with that question.

But it is, to me there is a matter of ethic that's involved in this question as well. If we're looking at making change in rates, then I want to, I want to be assured that we can count on that providing access to some decent places to be living.

Mr. Toth: — Mr. Chair, Mr. Minister, I wonder if . . . you mentioned tier 1, 2 and 3. Are there specific rate maximums for each tier? And I wonder if you could just respond and let me know what those rates are.

And secondly, the other concern . . . issue that was raised, the quality issue was an area of discussion that certainly we had with the association as well. And one of the matters that they raised is the upkeep on their properties, and at current rates it makes it difficult. And they recognize the fact that if they're going to upgrade to provide that quality they need a certain level to maintain . . . for them to be able to maintain that upgrade and providing a quality of living space. So I think the association's quite well aware of that at all. It's not a matter of just asking for it, to have more and then not look after the property.

It's everything . . . I think you'll agree, Mr. Minister, we've seen increases in almost every commodity. Certainly a lot of the areas and services that are provided, whether it's the cost of housing and construction or what have you, there has been . . . In the lumber sector, there has been somewhat of a decrease, but in general principles we've seen increases in the costs of a lot of services.

So that having said that, I think that reflects some of the effect that is being held by landlords as they try to upgrade their rental properties in view of even what the marketplace is prepared to offer for a rental property.

Hon. Mr. Hagel: — Mr. Chair, I can either read into the record the maximums for the tiers, or if the hon. member wants, I can just send it to him. Do you have a preference? Just send it to you? Yes, I'll do that in the various categories and get that to you. No problem at all.

Going back to the point the hon. member makes about affordability and adequacy, which is really the issue that we're faced with here, and he'll recognize from earlier on in our discussion that we identify some 17,000 households in Saskatchewan that have — for whom this is a real issue — affordability and adequacy both.

And it is clearly my concern that as we . . . are we willing to look at increased public expenditure in support of shelter? The answer is yes. But I'm not prepared to look at it being purely and simply an increase in right.

From my point of view, it is the ethic that the Department of Community Resources and Employment accepts, when we're using public dollars, is that those dollars must be spent to address both the issue of affordability and adequacy. If we're going to do good public policy and spend tax dollars wisely for people who need those kinds of support, I'm not prepared to be just only single-minded in the way that we look at that.

And so as I said earlier, I am more than prepared to meet — and officials are more than prepared to meet — with private sector proponents, public sector commentators who are willing to recommend how we can address these issues.

Centenary affordable housing program is a program that helps us to address that issue by bringing grant payments and to

provide the potential for affordable, adequate rental, as well as affordable, adequate home ownership. And however as I said earlier, that's 1,400 units when you need 17,000.

And I'm just, I'm just not prepared to look at only one side of this coin. If we're going to increase our public expenditure, then from my point of view, it has to include an increase in assurance that the accommodations that our Saskatchewan citizens living in . . . are living in meets some basic standards. And so my mind is very open to any, any proponents who are interested in making suggestions as to how we can move in that direction by way of public policy.

Mr. Toth: — Mr. Chair, Mr. Minister, regarding that concern from the village of Windthorst, I did send over a letter. And maybe just not necessarily needing a response right now, but if you could just let me know what the department response to the minister was, even by letter, that'll be fine. It won't . . . It's not necessary tonight, unless you do have a response in that regard.

Hon. Mr. Hagel: — Mr. Chair, I do point out to the hon. member the final sentence in the letter that the administrator writes, that they look forward to meeting with Sask Housing Corporation to pursue opportunities to meet the housing needs.

And we will . . . You've got it on the record, and if you want more than that, we can do that but I think this probably meets the need. And I'm not sure if . . . We may have already been in contact with them, but if we haven't, we will be as a matter of course. This is the kind of conversation that we welcome and we'll follow up with on a regular basis.

Mr. Toth: — Mr. Chair, Mr. Minister, and that's basically what I was asking, if they, even down the road, not necessarily having to have the answer tonight but just kind of let me know what the response was.

Mr. Minister, is the department involved at all in any funding for on-reserve housing?

Hon. Mr. Hagel: — All on-reserve housing is handled by the Canada Mortgage and Housing Corporation, CMHC, and the province of Saskatchewan is not involved in on-reserve housing.

Mr. Toth: — Mr. Minister, another issue that's come up on many occasions is the response or your response to the disability action plan that was released in 2001. In fact just recently, and you and I both attended the 35th anniversary for the SARC (Saskatchewan Association of Rehabilitation Centres) association and that was an issue that was brought to our attention again.

And I'm wondering, Mr. Minister, if you can let us know exactly what your response is to that disability action plan and where indeed your department is heading with that, in regards to the plan.

(20:15)

Hon. Mr. Hagel: — Mr. Chair, the response of the province of Saskatchewan in this year's budget has been, in total, about \$6 million in total in increased expenditure to support the principle

of citizenship and participation which are core principles of the disability action plan and have been well received. Within that . . . have been well received by the disabilities committee.

Within that \$6 million, \$4 million of that is expenditures through the Department of Community Resources and Employment and perhaps I can just list those for the hon. member. The single largest and the largest increase that has gotten the most attention, I think it's fair to say, has been an additional, in this budget, \$1.85 million in new funding to address individualized barriers that people with disabilities have.

We anticipate that this will support the additional attachment to mainstream employment for people with disabilities in the neighbourhood of about 900 individuals over the course of the fiscal year. And that's monies then that is used to address the specific barriers related to a disability that a specific employee has with a specific employer.

In addition to that there's \$300,000 which is targeted to employers and to work with the employers to increase the ability to make mainstream employment available to individuals with disabilities. In addition to that there is \$150,000 — which is not in my department, which is in Department of Health — that is extremely important to a good number of people with disabilities who are currently receiving social assistance. So social assistance recipients are Department of Community Resources and Employment.

The hon. member will recognize that one of the principles that has been so important in the Building Independence program to support low-income parents' attachment to work to take children out of that poverty cycle, has been the family health benefits — recognizing the value of that that many low-income families have at least above average sickness with their children and the importance of the family health benefits.

And there is a parallel for many people with disabilities who, as part of their condition, have significant medical needs and for whom the health benefit on the social assistance program is extremely important to their own security. And so therefore it can be said in some ways, Mr. Chair, that that support policy becomes a barrier to leaving assistance to go to employment. Because there's the risk that when you go to employment, you lose the family health benefit and it's quite possible that you could literally be worse off working than not working because the important . . . the protection you have, that health benefit, has been lost.

And so what's in this budget effective this June 1 . . . (inaudible interjection) . . . effective June 1 — so it's in effect now — effective June 1 a person with a disability who's a social assistance recipient who leaves assistance to go to work, for the first year will take that health benefit with them. You don't lose the benefit, the health benefit, because you went to work. And I know, as I have talked to a good number of people in disabilities communities, that's an extremely important factor in terms of supporting the ability to attach to mainstream employment — mainstream employment which is employment where you're using knowledge and skills and getting mainstream pay and mainstream benefits.

In addition to that, Mr. Chair, there was a decision in this budget to increase the disability allowance for those who are receiving assistance but . . . and receive the disability allowance, that are eligible for that. It's increased by \$10 a month and the cost of that to the public purse is an additional \$1 million.

There is also \$1 million in my department's budget this year to increase, within the community living division, accommodations as they require for residential accommodations of people with disabilities.

There is also in the budget some \$715,000 from the Centenary Fund to replace another 13 paratransit vehicles. And we'll all recognize for people with disabilities, if you're going to be participating in our society, enjoying full citizenship, part of . . . What that means is you have to have a way to get to work, get to social activity, and so on. And so therefore the paratransit vehicles that our communities use are an important part of that and there is support in that as well.

There is, outside of my department, an additional \$1 million that's targeted in this budget to support, through SPMC (Saskatchewan Property Management Corporation), the access to public buildings for people with disabilities.

So that's been the budgetary response. There will be more if you want that we can talk about, but we're in estimates and that's the budgetary response to the disability action plan in this year's budget.

Mr. Toth: — Mr. Minister, I'd like to do a little more follow up on that specific question. But there's a couple other areas I'd like to get into as well, and I'm not exactly sure what timetable we've agreed to tonight. But an issue . . .

An Hon. Member: — 8:30.

Mr. Toth: — That's what I was concerned about. But, Mr. Minister, an issue that comes up on an ongoing basis is . . . And of course any time we talk to officials from SARC and SARCAN and some of these organizations that are providing support to people with disabilities throughout the province, either through group homes or sheltered workshop situations, a major problem that arises in many, many communities — and I would suspect the large urbans are no different than the small rurals — is the issue of wages and salary, and the fact that the wage levels in comparison to heavy care or care homes or even in hospitals and support staff in hospitals, is that it's substantially less.

And I know in a number of communities locally where they just nicely trained an individual, and basically with a little additional training that person has then been able to move into working in a care home or a health care centre of some type for substantially more money. And many of these organizations have been finding it difficult to hold employees as a result of the wages. And I know that was a major issue last year.

I'm wondering exactly where we are in addressing that concern, Mr. Minister, and whether or not any steps have been taken to try to address that concern, that issue. That makes it difficult for some of these groups to find qualified, or to hold on to and

maintain qualified help rather than continually training new personnel because the personnel, they basically move them through and they find other employment.

Hon. Mr. Hagel: — Mr. Chair, the hon. member in his remarks refers to Saskatchewan Association of Rehab Centres, SARC. It is, as a matter of fact, one of SARC's tasks that they're working on a human resource plan, have been for some time, and we'll be working on it through this fall. I have made it very clear to SARC that I am very, very interested in their advice and that we'll be looking at that very seriously.

I'm extremely aware of the significance of the recruitment and retention challenges that exist in our CBO (community-based organization) world. Community-based organizations are very important for the delivery of services provided through the Department of Community Resources and Employment. And in fact, it's the recognition of the community significance of the delivery system that has led in many ways to the new name of the department, Community Resources and Employment.

Over the last seven years, funding directed to wage enhancement has been in the range of \$25 million. In this budget that's before us, there is a 3 per cent increase that is targeted to wage enhancements, to wage expenditures of the community-based organizations. There have been discussions that have begun in workshops, that have begun on outcomes-based planning, and that that's generated a fair amount of interest in community-based organizations.

I had a discussion just this afternoon with a Saskatchewan community-based organization that has participated in the outcomes-based workshop and has a lot of enthusiasm about looking at the way that we measure the delivery of services to the people of Saskatchewan to ensure that we're doing a good job and making the best use of the resources that we've got available.

So I can assure the hon. member and the community-based organizations in Saskatchewan that I am well aware of the recruitment and retention challenges that they have, and that we are committed to working together with community-based organizations and to bring the resources, the best resources that are available to us, to address those ongoing recruitment and retention challenges that they have.

We've made some progress, I would argue, over the past number of years. We've still got a fair ways to go, I quite acknowledge that; and we'll continue to do this in a very collaborative kind of way.

Mr. Toth: — Mr. Chair, Mr. Minister, I thank you. And I think, Mr. Minister, we will both agree with the fact that many of these organizations do a tremendous job and . . . in providing assistance and care for people with disabilities. And in many cases a number of these people would have been more in an institutionalized format, which I don't think we really want to see.

I think it's been good for a lot of individuals to be . . . You talked about independence. And while they may not be totally independent, we're creating for many individuals — and I know I'm talking of my communities because that's what I see around

me a lot of times there — that sense of at least independence. But it comes with a bit of a cost because you do need caregivers or people to provide some support mechanisms, and having adequate funding so that you have people . . . We come back to that question of quality.

And also I think the other thing that really comes out in many cases for people working in group homes and sheltered workshops is the level of care. To many people the fortunate part, it's not just a job; it's something they enjoy doing working with people and assisting people with disabilities. It's like they're giving of themselves to help somebody else and that just shows the positive side of our human nature, the willing to do unto others as we'd like them to do unto ourselves.

Mr. Minister, one area — I know we're not going to get into a lot of depth on it — but I think we'll have 10 questions and one comment here.

It's regarding the welfare rolls in this province, and a couple of quick questions here and I guess we'll let you go where you want to go, Mr. Minister. The time will be dictated by how long you want to take to respond. No doubt you're . . . probably would like to do a major dialogue on how well your government's been doing.

But this one headline reads, "Sask. welfare numbers see steady decline since '94: Decrease (however) doesn't mean fortunes of poor people improving . . ." And we see . . . And I know just chatting with people down at providing some of . . . Souls Harbour for example and the food banks, we have some major concerns coming out of those two organizations for example. And in this article it talks about the fact that, I think, you talked about the decrease to some 29,000 caseloads at this time over . . . a 10 per cent drop over the year of March 31. And I forget the date on here; I don't have a date right on this article.

(20:30)

But there was a single woman in this article talks about having taken some training, gone back . . . or trying to get to work. Unfortunately by the time she paid her babysitter, she really had very little left and so she ended up just going back on welfare for a while, something that she really didn't want to do.

Another young lady mentions, I didn't want to raise my kids on assistance so I figured that . . . She used, I think, some help from social assistance to get off work but she basically said, Social Services just didn't do enough for someone wanting to get off assistance. There's so much red tape. It was her own persistence that actually got her off of assistance.

But I think what was coming through loud and clear from both of the individuals is that, as they're attempting to get off of assistance and trying to find employment, one of the stumbling blocks they had — they're both single parents with children. And of course we know child care is an issue that a lot of young people, young women face.

And recently you did mention some funding for child care programs in the province of Saskatchewan. So, Mr. Minister, I've kind of . . . we've got a lot in a little bit. I haven't got to the 10 questions yet but I think you have the gist of where I'm

going in regards to that.

And I'm just wondering, Mr. Minister, in regards to your child care programs, the funding for these child care programs, exactly how is that administered? Is that publicly funded daycare programs or would some of that funding, would people apply for it individually?

Let's say a single parent has hired someone they know, a neighbour but isn't a recognized daycare program of that nature. Would some of those funds go to assist single parents in that manner to provide some of the child care they need so that they can actually find some gainful and meaningful employment and provide for themselves and stay off of assistance?

Hon. Mr. Hagel: — Well, Mr. Chair, probably the only person who would be more enthusiastic about extending our discussion than the critic for the opposition, Mr. Chair, would be the minister. And so it won't be because of either his preference or mine that we must wrap up here now as agreed and move to other estimates.

But heaven forbid that I should pass by the opportunity to respond to the important issues that the hon. member raises as he addresses issues of support for people moving out of poverty to independence, and also the way that we support that through our child care supports as well.

Let me be as brief as I can to acknowledge that Saskatchewan has done some good work. I appreciate the hon. member's recognition that Saskatchewan has gone now more than nine consecutive years — year after year after year without fail — with a reduction in the social assistance caseloads within the province.

And I think it would be generally acknowledged that Saskatchewan's ability to reduce the requirement for social assistance has been greatest since the Building Independence program was introduced in 1998, and since which time the number of families requiring social assistance has come down by 6,000.

But what I said many times I consider to be the, simply the most significant number is the fact that today there are more than 13,000 fewer kids growing up on welfare than just five years ago. And you don't have to be a rocket scientist to look at how that's good for the families, it's good for the children, it's good for the taxpayer.

But just on the numbers alone, Mr. Chair, but I would say as well that I think the real payoff for Saskatchewan will come a generation from now when children grow up outside of poverty, they grow up in homes in which a parent or parents are working; and the different kind of atmosphere that exists and that leads to them becoming eventually adults who bring their own attitudes and their own expectations of . . . that they have of themselves and their society to the parenthood task of the next generation.

On the matter of child care supports, the hon. member quite accurately acknowledges, Mr. Chair, that there has been a significant increase in this budget again in support for child care access in two ways. One, with the commitment that we will

increase the number of child care spaces in the province by 1,200 over the next four years, including 500 this year alone, in the fiscal year in which we are now.

In addition to that, we also brought funding to 250 currently existing but unfunded spaces. That's not counted in the 500; that's above and beyond the 500. And there are, I think it's 81, I think is the exact number of Kids First child care spaces that are above and beyond that as well. So that's a significant growth in the system.

Now in addition to that, there was announced — and it came into play in June 1 — the increase in the child care subsidy by an average of \$20 per child per month. And along with that, as the subsidy increased, then so did the income level at which the subsidy is available.

But in response to the hon. member's question, Mr. Chair, that subsidy relates to licensed spaces. That is, the subsidy is required to be assigned to licensed spaces.

However having said that, I do want to remind the hon. member as well that part of the Building Independence program that I've not referred to is the employment supplement. And the employment supplement then takes the earned income that a lower-income working family has and adds to that supplement to address the working . . . the work expenses, and recognizing that working expenses can include of course child care.

And in the employment supplement that we have there is absolutely no restriction as to how a family would use . . . would apply that money to meet their own expenses. And so clearly in the case where a family would choose to respond, have their child care needs responded to through personal arrangements and not licensed arrangements, very clearly the supplement that's there to support low-income family attachment to the workforce can enable them to use that.

The employment supplement is . . . Okay, I just have pointed out to me here, to put into context, the number of families that are receiving some form of assistance under the Building Independence program — the family health benefit, the employment supplement, the Saskatchewan Child Benefit — is in the range of 26,000 families across the province. So that's no small measure of assistance that we have been able to bring to support lower-income families here in our province, to assist them to be able to have the support available outside of the welfare system.

And thinking of ourselves, I think as I look down the road, Mr. Chair, where are we going? Where clearly I want to see us head is that we will relate to the social assistance program or the welfare program in the way that it was originally intended, as a short-term, stop-gap program. And the problem that so many people have these days has to do with the fact that the rules that govern the social assistance program are intended to deal with a program that's short-term, stop-gap, in short-term times of need.

And what we're recognizing that when the needs are longer term than that, the program we've got — that we call welfare informally — doesn't do a very good job of meeting the social need. And clearly what's in the best interest of the people of

Saskatchewan is support systems that are outside of the welfare system, support systems that support people being able to attach to mainstream employment, that support people becoming increasingly a part of our economy that . . . who want to be and taking advantage of the dynamics that are going on in the world around us.

With a tightening of the labour market, what, for employers, including CBOs, is . . . you know, they see over and over again the challenges related to recruitment and retention. On the other hand, for those of us who support people who have tended to live outside of the mainstream, being able to get in and be a part of the mainstream of Saskatchewan.

You know I've thought many ways, Mr. Chair, as I look down the road and I say, what's your dream? You know, it is in many ways I define what is my dream. How do we know if we succeed? It's based on the kind of complaints that we hear from the citizens of Saskatchewan.

And I will know that we've achieved our objective, Mr. Chair, when instead of people describing the difficulty they have of making ends meet with the public supports that we provide through the welfare system, instead of . . . those same people are engaging in that great Canadian experience called complaining about your income tax, that I will know. If those same people are changing the complaints to their . . . then I will know we've made progress.

Because we've done the right thing policy-wise to support people getting to where they want to go, to have attachment to the best form of income security possible — and that's employment.

So it's a long answer, I know. I tried to be comprehensive, as I know the hon. member has in his question, and we're both well aware that we've passed the time that has been agreed for estimates in the Department of Community Resources and Employment. And I don't know, did the hon. member want to make a final comment? If so, Mr. Chair, I'll take my place and let him do that.

Mr. Toth: — Mr. Chair, Mr. Minister, I thank you. And unfortunately yes, you're right, we . . . there are a number of questions here in regards to that that would have been nice to get into, but time constraints sometimes come . . . stand in the way. I appreciate the work your officials have done and the responses we've had. Look forward to addressing a few more issues as time allows, and thank you for your time.

And I think over the past number of weeks, Mr. Minister, we've also shown that we can probably accommodate a lot without really getting into a very heated argument. Or is that just yours and my personality? I'm not exactly sure. We haven't got into that heated rhetorical debate in regards to your department, at least to date, but I appreciate the time and the work of your officials at this time. Thank you.

Hon. Mr. Hagel: — Well I thank you, Mr. Chair, and I . . . we won't get into personality analysis except to note, Mr. Chair, that perhaps it is a couple of mellow fellows who are engaged in this discussion, this important discussion, about how our province supports people who are most vulnerable as our

citizens of our province.

I, Mr. Chair, before making the motion, do again want to thank the officials of the department for their assistance this evening and their ongoing assistance as they provide leadership in moving forward in a creative way to use the resources provided to us by the people of Saskatchewan most effectively and most synergistically in support of people who are most vulnerable in our province.

Having said that, Mr. Chair, I move that the committee report progress on Community Resources and Employment estimates and move to estimates on Highways and Transportation.

(20:45)

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

Subvote (HI01)

The Deputy Chair: — I recognize the minister and ask the minister to introduce his officials.

Hon. Mr. Wartman: — Thank you, Mr. Chair. I would like to introduce our deputy minister for the Department of Highways and Transportation, Harvey Brooks, who is to my immediate left. To my right is Barry Martin, who is the associate deputy minister of policy and programs. Stu Armstrong is immediately behind Harvey; he is the assistant deputy minister of operations.

Next to Stu is Don Wincherauk, who is assistant deputy minister of corporate services. Fred Antunes is to the right of Don and he is director of operations, planning and business support. Les Bell is sitting to my left in the second row and is manager of sustainable infrastructure. And Terry Blomme is executive director of the southern region and sitting in the third row behind me.

Mr. Hart: — Thank you, Mr. Chair. Mr. Chair, I'd like to welcome the minister and his officials here tonight. We have a number of issues that we would like to discuss with the minister and we're certain that his officials will be most helpful to our discussions.

Minister, there's a . . . part of the budget is . . . there's \$5.5 million that is allocated to a strategic rural roads partnership program. I wonder if you could just in very briefly explain the parameters of that particular program and its purpose.

Hon. Mr. Wartman: — Well a number of times, to the member opposite, a number of times there have been questions asked about our rural roads, particularly the thin membrane surface highways and the impacts that heavy haul has had on those.

And so as we've looked at ways of trying to manage our resource most effectively, we've met with communities, with rural municipalities. And in working with those municipal bodies we have managed to come up with this strategic rural roads partnership program which allows us to, in many cases, find alternate routes for heavy haul, and then when we rebuild

or maintain a TMS (thin membrane surface), it doesn't get the heavy haul and it stays up to a better standard for a longer period of time.

So our investments in repair, maintenance, rebuilding are better used that way. It's completely volunteer. It's done in co-operation with the municipalities. So that would be the one type.

Another type of strategic rural road partnership that we have managed quite successfully, and again in co-operation with the municipalities, has been shared responsibilities in building where they may have materials or labour or heavy-duty equipment that they will use in helping with the road construction.

So those are the basic parameters for the strategic rural roads program and we found some very good success with those. We might have a particular road that would be good for industry, whether it be a grain company or a manufacturing operation, and working with the company and the municipality we've been able to work out a partnership that enables us to more . . . to manage the resource in a better, more effective way and provide the kind of transportation needs that people are looking for.

Mr. Hart: — Mr. Chair, to the minister, how many agreements have you got in place at present with municipalities for alternate truck or heavy-haul routes? And also while I'm on my feet, I'd like to ask how many partnership agreements have you got with municipalities to build and reconstruct highways? I understand it's thin membrane highways that you have partnership . . . If you could tell me how many of each that you have at present?

Hon. Mr. Wartman: — Okay, I'll answer this in two parts. In '03-04, the department is committed to investing about \$4.5 million on 26 initiatives. And this is 48 partners and will manage about 535 kilometres of highway. This includes four municipal road projects under the Prairie Grain Roads Program valued at \$340,000.

The department is committed to five construction partnership projects valued at 1.86 million: Annaheim road, Highway 31 West, Highway 51 west of Kerrobert, Highway 342; and not added into the dollar amount is one which has just recently been negotiated in the member's own constituency of Last Mountain-Touchwood on Highway 15.

Mr. Hart: — Mr. Chair, to the minister, the minister mentioned that there is an agreement with an RM (rural municipality). I believe that's RM 279 with regards to Highway 15, the RM of Mount Hope. Just for the public record, that isn't in my constituency; it's just outside my constituency. But that's okay because I was going to raise that issue, and I'm glad the minister did.

Now the way I understand these . . . my understanding of this partnership arrangement to construct highways is that the RM acts as a general contractor. And the RM may or may not actually do the work but they act as the general contractor. And I understand that when funds are made available from the Department of Highways, then the RM goes ahead and issues tenders, or calls for tenders and so on to have the work done.

To me, I just wonder what is the advantage, if in fact that is the scenario where the RM is the general contractor but as I have said may or may not actually do the work themselves but oversee the work? What advantages does the department see they are gaining by involving the RM in this process?

You are building a highway; you're not building a municipal road. Quite often RMs don't have equipment, I understand. I believe the RM of Mount Hope does have some equipment and so on. But regardless they're not a highways contractor and that sort of thing. So where are the efficiencies, Mr. Minister, in this type of thing?

Hon. Mr. Wartman: — Where the RM has its own equipment, basically they'll do the direct . . . just bill the direct cost to the department. But there's a very strong local buy in. They're doing the construction themselves. Very often they'll do the design work as well. You know, we have standard parameters that are set, but they'll do the design work as well.

(21:00)

And generally what is . . . where the savings are both to us and to the RM . . . I mean the benefit to the RM is the roads are done in a timely manner and there are savings in terms of the overall administrative costs. And for us the benefit is in the, again being able to move the projects ahead, and again savings for us also in administrative costs. And we just do . . . we just pay the direct billing costs that the RM puts forward to us.

Mr. Hart: — Minister, I'm looking at an article in the *Last Mountain Times* dated April 6 that reported on a spring ratepayers supper in the RM of Mount Hope, and the agreement that you've mentioned was certainly a topic of discussion between the council and the ratepayers in attendance.

And it appears from this report that quite a number of ratepayers in that municipality certainly were not happy that the council had entered into an agreement with the department. They were . . . They felt that the building of highways is a provincial responsibility. They felt that if the council, if the RM was using their own equipment to build highways, that they felt the remuneration or the payment for that type of work wasn't enough to offset the long . . . the wear and tear and so on. They just weren't happy with it.

And I think the underlying feeling was that this was just the first step in having the RM accept total responsibility for the highway.

And I guess my question to you, Minister, is in fact that the purpose behind this program is to turn over some of these thin membrane surfaces to the RMs for total responsibility?

The Deputy Chair: — Why is the member on his feet?

Mr. Forbes: — Leave to welcome guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Forbes: — Thank you very much. I just see we have some

visitors up in your gallery. I think it would be appropriate for us at this time to welcome our visitors here in the House tonight. So I'd ask all members to join in with me to welcome our visitors.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Highways and Transportation Vote 16

Subvote (HI01)

Hon. Mr. Wartman: — To the member opposite, we know that there were department officials at the meeting of Mount Hope and I think it's important to note that the discussions around this are generally broad-ranging and sometimes the RMs decide not to join in.

But very clearly, very simply and straightforward, the answer is no. It is not our design or long-term plan to turn the roads over to the RMs to try and off-load. But what in fact it is, is a way I think, and very common to us as a province, that where we can pull together to accomplish a result that is beneficial to everyone, then we do that. And I think the experience that we have had . . . And there a number of situations where one RM neighbour to another one will have a road that they would like to have done through a partnership agreement, have at some previous point decided to go ahead with the partnership. The road has been progressing, and the other RM that might have engaged in the discussions looks at this one and goes, oh why didn't we go forward with it, we should have, at the time — and then later on join in in co-operative discussions and the road's moved forward.

So basically what it's about is that we are able to get more done when we operate co-operatively. People in those areas are asking for the roads to be completed, and with the limited pie that we have to divide up we can get more done when we work co-operatively. And I think the RM, the feedback that has come through my office, the feedback that comes through the department discussions, is that the RMs that have joined in on these programs are generally very pleased with the results.

Mr. Hart: — Mr. Chair, to the minister, Minister, I'm certainly happy to hear that it is not your intention to off-load these highways on to the rural municipalities. I know there are a number of people out in rural Saskatchewan that are very concerned about that issue and they will be watching very carefully and closely that that doesn't happen.

Minister, I'd like to just take an opportunity to discuss a number or a couple of highways in my constituency and a couple that are not in my constituency. It seems that a number of my colleagues have had an opportunity to discuss with you highway issues that are of concern that are within their constituency and I feel I should be doing the same.

We have discussed I think in the past this issue of Highway No. 22 from Junction No. 6 to Junction 20, and particularly the 4 or 5 kilometres from Junction 6 west to the grain terminal, and just

to make you and your officials aware that Highway 22 between those two junctions, particularly the west part of it, really underwent severe damage this spring.

And my question is what are the department's plans and is there any short-, medium- or long-term plans to address that section of highway, Minister?

Hon. Mr. Wartman: — For the time being, our plan is just to do regular maintenance, try and . . . We know there was a number of breakouts in that section of road, and so crews will be out doing maintenance, rebuilding those particular sections — patching and repairing, I mean.

And the other thing is that for a longer term plan, in mid-August the department officials will be meeting with the RM, will be looking at what the possibilities are for alternate roads — I think it's 731 — looking at the possibility for doing some kind of a partnership there that might help us move ahead and preserve that piece of road.

Mr. Hart: — Mr. Chair, to the minister, the 4 or 5 kilometres from Junction 6 to the Pioneer cement elevator, is there no plans to upgrade that portion of highway? I have received numerous calls from farm people in the area who are very concerned about that. They are asking that at least they have one access of . . . reasonable access, I guess. And they're asking that that section of highway be brought up to standard so that it would not need to have weight restrictions placed on it in the spring.

It's, as I said, it's 5 or 6 kilometres, I just forget now. I have been down that stretch of highway a number of times and the people of the area along with the business feel that that should be fairly high priority.

So I would put that thought forward, Minister. And also I just raise at this time Highway No. 20, particularly from Govan to Nokomis, has suffered severe damage this year. And again, have you any plans to address that situation in the near future?

Hon. Mr. Wartman: — With regard to the section between Semans and the grain terminal — Pioneer Grain terminal — or pardon me, Southey and the terminal, it's about somewhere between 2 and 3 kilometres actually into the terminal there. I've been out and driven on the road, looked at it.

And we have engaged in some discussions with the RM and also, I think I'd indicated last year, with Pioneer. It's a typical kind of case where a partnership agreement with industry would certainly help in moving this ahead. I mean the direct beneficiaries are the producers and the grain terminal themselves to having this put forward. Very often when a grain terminal is building in an area like that they might look at, in their capital costs, including an amount to make sure that they have good, strong access.

So that would be the typical kind of a spot for a partnership program that might include all three partners in making this happen. And the department is very open to those kind of discussions and would be happy to meet and work on that if the players were interested.

With regard to Highway 20, Highway 20 is a granular pavement and has pretty much reached the end of its 20-year life cycle. It'll go into the mix with our provincial highways in terms of priority.

And, I mean, we don't want to lose these . . . the investments that we've got there, so in the meantime our crews will be out patching, maintaining, and then we know that it needs to be rebuilt so it will go into the works in terms of the priorities for a rebuild.

Mr. Hart: — Mr. Chair, to the minister. Minister, I've been asked the question, and I think it's probably a legitimate question that I should ask you, is when Saskatchewan Wheat Pool built a high-throughput elevator at Booth Siding on Highway 15, the department undertook to upgrade that highway from Junction 6 all the way to Semans, some 10 kilometres or 15 kilometres — something like that, I believe, is the distance.

Now we have Pioneer who has built a high-throughput elevator on Highway 22 some 5 kilometres off of Junction 6. They're asking for that section of the highway to be improved and upgraded. And you mentioned that you've been in discussions with them under a trucking partnership program.

Did the Saskatchewan Wheat Pool enter into a trucking partnership agreement out of their Booth Siding's plant?

Hon. Mr. Wartman: — The section from Booth Siding to Semans was built under the old CAIP (Canada/Saskatchewan Agri-Infrastructure Program) program. And there were a number of projects that were applied for under CAIP. And the structure of administration there and management was very similar to what we have under the Prairie Grain Roads Program where you have SARM (Saskatchewan Association of Rural Municipalities) and SUMA (Saskatchewan Urban Municipality Association) representatives and it was just one of the ones that was picked out of a whole number of grain-dependent roads that might receive a rebuild; and it was rebuilt under the CAIP program.

(21:15)

Mr. Hart: — Minister, I would suggest that your department would have a fair bit of influence on this committee that decides what roads will be built under the Prairie Grain Roads, and I would suggest that if it was the wish of the department to have a short section of highway considered under the program, that, I would think, would carry a fair bit of weight in the final decision making. And I would ask that that section of highway be given the same consideration as that section of highway on Highway 15 from Junction 6 to Semans.

Also I have a question and I've been . . . had citizens speak to me about Highway 310 between Ituna and Balcarres. I believe last year there was a short section south of Ituna was done with the technology and the method that Pavement Scientific International used, I believe. If memory serves me, I believe it was one of the contractors that worked in the Cupar area or Dysart area that did the same work, I believe.

The question is . . . and I've been asked by RM councils, amongst other people, is there . . . is 310 slated for an upgrade,

the rest of it, similar to what has been done, that short section south of Ituna?

Hon. Mr. Wartman: — Well I'll start with the question about 310 and then I want to go back to the piece between Booth Siding and Semans.

So with regard to 310, the current plan doesn't have any work done on that. It's not a corridor so it doesn't really qualify under PGRP (Prairie Grain Roads Program) as well but . . . And the other thing is that we might have been able to do small sections this year, and in a year where so much demand isn't there for fixing and maintenance on a TMS. And this, as the member will know, in a wet year like this it really takes a high toll on maintenance for the TMS. And so we don't have the extra funds that we might use to do spot upgrading that we would . . . we've been able to do in some of the drier years. So 310 is not listed in the . . . hasn't qualified for PGRP.

So that leads into the second piece, and that was the question around the section between Booth Siding and Semans. And CAIP actually had some different guidelines than what PGRP does. CAIP is . . . or pardon me, PGRP is more looking at corridors that are grain dependent, but CAIP allowed for short sections that were directly to terminals. So the parameters with which we're allowed to deal are quite different between CAIP and Prairie Grain Roads Program. And that basically would explain why that section does qualify there.

Mr. Hart: — Minister, I believe your office has been contacted by the village of Paradise Hill. That village has some concerns with Highway 3 that passes through the village. I understand that they have requested that the speed limit be reduced to 80 kilometres through their corporate . . . through their village limits. And also they are requesting a turning lane on the south side of Highway 3. Are you aware of these requests and, if so, have you . . . what would your response be to the village?

Hon. Mr. Wartman: — Since the request from Paradise Hill, the department has been meeting with them and undertaken to do traffic volume counts, do turning patterns, and to do the studies that are necessary to see if it warrants the actions that are desired. Once that work has been done, recommendations would be made to council, and discussions would take place about what would be the appropriate actions.

Mr. Allchurch: — Thank you, Mr. Chair. Mr. Minister, welcome to your officials tonight. My line of questioning, Mr. Minister, is regarding railways. And I received a letter from a councillor in the RM of Duck Lake, Raymond Blanchard. And his concerns are regarding the maintenance of fence along provincial regulated railways. Back on April 28, SARM director, Mr. Neal Hardy, wrote a letter to your department regarding the concerns that Mr. Blanchard had raised in regarding railways. And it should be noted that both the Canadian National and the Canadian Pacific railways submitted written commitments that they would continue to maintain fences under the Railway Act. Now Mr. Hardy goes on to say:

We have concerns that the provincial government is taking a position that shifts the responsibility from the railways to the landowners for fencing and to municipalities for additional crossing responsibility.

It makes it difficult for us to convince the federal government to continue to hold federal railways responsible for fencing and crossing if the provincial government is reducing railway responsibilities on railways under its jurisdiction.

Can you make comment to that, Mr. Minister?

Hon. Mr. Wartman: — There are a number of factors involved in terms of the fencing along railway lines. And first of all with regard to building and maintenance of the fence, the railways are not obliged to build — the federally controlled railways — are not obliged to build or maintain fence. They may voluntarily do that but they are not obliged by their Act to do that.

Within our Act we could demand that the railways look after fencing but there are other Acts that allow for fencing to be looked after, The Stray Animals Act or The Line Fence Act which allows for arbitration. If you needed a fence or felt you needed a fence put in place or that the railway should put it in, you might work under that Act and then an arbitrator would determine who would pay the costs of or how those costs would be shared in putting the fence in.

But I think even more important as we're looking at the development of short lines in the province, it might be okay for a very strong, well-grounded, financially grounded short-line rail to cover some of these extra costs. But to expect that for example maybe a Red Coat or one of the other short lines that is just beginning or is really facing some financial challenges, to expect that they would then pick up these additional costs voluntarily or that the department would demand that they do that, I think would be onerous and could be destructive of the program to encourage development of short lines.

And remembering also that the users are the farmers in the area generally, of these short lines, and co-operation between the producers and short lines is essential to their survival.

And so I think what we would prefer is that things are worked out on a co-operative basis. If it came down to the need, the other two Acts that are there. The Stray Animals Act or The Line Fence Act, could be used to help provide this fencing.

Mr. Allchurch: — Well thank you, Mr. Minister. In regarding your comments, according to this letter that Mr. Hardy wrote to you regarding the commitments of the Canadian National and Canadian Pacific, which are federal railways, they have submitted written commitments that they would continue to maintain fences under the Railway Act.

Does the province have a different perspective in regarding the Railway Act and are you governed by the Railway Act provincially?

Hon. Mr. Wartman: — The short-line railways are not bound in any way by the federal legislation. The Railway Act applies to the federally regulated railways, CN (Canadian National) and CP (Canadian Pacific).

Mr. Allchurch: — Thank you, Mr. Minister. That means that the jurisdiction of looking after the fences as a commitment,

what the federal government did is somewhat changed now that the short-line railways have taken over? Does that mean that there's change now that the short-line railways have taken over, because under the Railway Act it is commitments that they do maintain the fences? So I'm wondering where the jurisdiction changes.

Hon. Mr. Wartman: — The Railway Act of Saskatchewan does not require a short-line railway — and short-line railways are all within the Saskatchewan borders — it does not require them to do any of the fencing. In fact the Railway Safety Act of Canada, which replaced the Railway Act of Canada, does not demand that the federal railways, federally regulated railways, build or maintain livestock fencing either. But they have, CN and CP have voluntarily agreed to do that at this point.

(21:30)

Mr. Allchurch: — Thank you, Mr. Minister.

Hon. Mr. Lautermilch: — Mr. Deputy Chair, there has been very much progress this evening and I would now move that the committee rise, report progress, and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 21:32.

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