



FIRST SESSION - TWENTY-FIFTH LEGISLATURE

of the

**Legislative Assembly of Saskatchewan**

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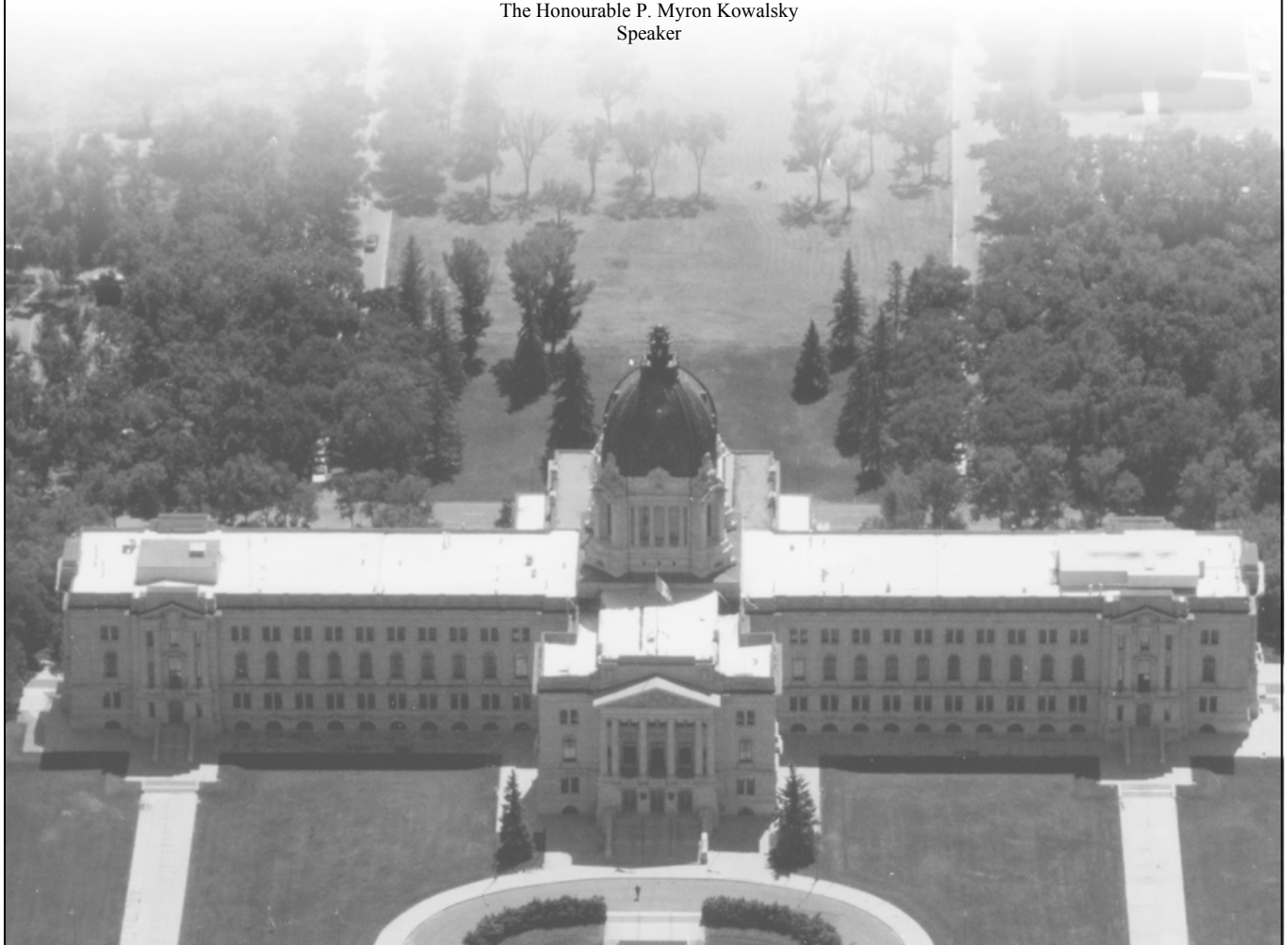
**DEBATES  
and  
PROCEEDINGS**

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(HANSARD)

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Speaker



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Weekes, Randy	SP	Biggar
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EVENING SITTING  
COMMITTEE OF FINANCE

General Revenue Fund  
Environment  
Vote 26

Subvote (ER01)

**The Deputy Chair:** — Order. The business before the committee is estimates for Environment. Would the minister introduce his officials?

**Hon. Mr. Forbes:** — Thank you very much, Mr. Chair. To my left is Lily Stonehouse, deputy minister of Environment. Behind Ms. Stonehouse is Lynn Tulloch, executive director of corporate services division. To my right is Alan Parkinson, associate deputy minister. Behind Mr. Parkinson is Bob Ruggles, assistant deputy minister of planning and risk analysis. Behind myself is Dave Phillips, assistant deputy minister. And behind Mr. Phillips is . . . behind the bar is Wayne Dybvig, vice president of operations for Saskatchewan Watershed Authority.

And at this point I'll entertain questions from the opposition.

**The Deputy Chair:** — The question before the committee is the subvote administration (ER01). Is the committee ready for the question?

I recognize the opposition leader.

**Mr. Wall:** — Thank you, Mr. Chairman. I'm mindful of the comments of the member for Meadow Lake about the hockey game, and perhaps we could provide updates to him. I know he won't have time to sneak out to find out what the score is. We'd be happy to furnish him with those results here from this side.

I want to join with the minister in welcoming the officials from the Environment here tonight. I have some specific questions.

Mr. Chair, through you regarding the recent . . . well several issues, but we'll start with the staff cuts that have been particularly hard on the office in Swift Current.

The minister will know there's been correspondence from our area to him and to the government expressing concerns about the cuts in the Department of Environment staff in the Swift Current office. I think recently he indicated to a constituent that 15 of 27 positions were abolished. Eight of the positions were with the grasslands eco region, and the other seven were administrative staff who, and these are the minister's words in a letter, "were impacted by the consolidation of administrative services."

I wonder if the minister could please provide members of the committee with an update as to where all of those are at. We're hearing now that, at least in one case, a contract has been offered; extensions have been. I wonder if that's just in that one particular case. What's the status of these 15 positions that were abolished in the budget?

**Hon. Mr. Forbes:** — Thank you very much, Mr. Chair. Appreciate the question. It's one that we take seriously when we dealt with the reorganization of the department and the staff layoffs and that type of thing. We're in the process of bumping and settling out early retirements. This process will take a few months — several months actually — until they can all be worked out. But we are looking for opportunities to assist the employees; however that may be in this adjustment. But I would want to be cautious at this point to say this is happening or that's happening because we're working them through, and we're trying our best to help the employees.

**Mr. Wall:** — Thank you, Mr. Minister. Mr. Chair, the question . . . Notwithstanding the minister's answer, the question specifically was: how many of these officials that were affected by the budget have been offered some other employment through contract or some other means?

**Hon. Mr. Forbes:** — Mr. Chair, in answer to the question, I would say that we are aware of none tonight. But in the process of bumping or retirement, early retirement, there may be cases that we're working through, or as they come up there might be a consideration of an extension so that if the dates are relatively close, so we can assist our employees as best we can. But tonight we are aware of none that I can say with certainty.

**Mr. Wall:** — So the minister's response then . . . and if this isn't correct . . . you know, I don't want to put words in your mouth, Mr. Minister, but what I understand you to say here tonight is that no contracts — no extensions — no contracts have been offered or are currently being negotiated with staff who've been . . . who are affected by these 15 changes in position. And if that's not correct, you could please clarify that.

Second question, not specifically related to Swift Current but still related to cuts: were there any cuts that were contemplated right up until budget day that the department intended to make here or in the North or some other part of the province, that for one reason or another were not actually acted on in the budget? They weren't proceeded with in the budget that came down in March.

**Hon. Mr. Forbes:** — Thank you, Mr. Chair. The budget process, you know, we develop many scenarios. They take time to evaluate. And as we go right up to budget day, we look at these, and ultimately we make the decision that was released on budget day. And that's where our work starts.

**Mr. Wall:** — Thank you, Mr. Minister. Mr. Chair, we're going to come back to that issue in a moment or two.

Just back to the Swift Current district, to the Swift Current office and I guess it would apply to all of the cuts and the bumping and the process that you highlighted at the start of our questions and answers. What is the budget the department has set aside to . . . What is the amount that's been set aside, budgeted for by the department to pay for all of the attendant costs related to these changes — whether they're relocation costs, any other additional costs that are related to bumping, and some of the adjustments that you mentioned?

(19:15)

**Hon. Mr. Forbes:** — Mr. Chair, at this point we don't have that exact number with us. The majority of it, actually, would be accounted for in '03-04 because the process started on March 31, so it's actually last . . . that would be credited or debited to last year's budget. And so the transitional costs in this year's budget would be very little.

**Mr. Wall:** — Thank you, Mr. Chairman. An answer or two ago, the minister was responding to a question regarding what other job cuts, what other firings, that the department had been planned in the North or other places. And he indicated that well, you know, whatever comes out of the budget, that's the number, that's the announcement, that's the place we go forward from.

These cuts occurred in this budget, and we're talking about estimates for the current year. What is the amount? Surely the department has budgeted an amount for its relocation costs for all of the attendant costs related to . . . if you're going to fire 15 people in the Swift Current office. And it's going to impact them, and it's going to result in bumping and relocation costs, potentially from those who bump into the job. Surely there must be an estimate, a budget number the department has, to be able to present to the taxpayers as part of the costs related to the individuals that have been fired in the office. And I'd ask for that information for the members of the committee tonight.

**Hon. Mr. Forbes:** — Mr. Chair, as I stated, the costs for the transitional, the costs for the layoffs will be attached to last year's budget because they occurred on March 31. We've actually sent someone out to get those figures, so they'll be back with them as soon as they can be. So if we can move on to another question, I'll update them as soon as I can.

**Mr. Wall:** — Thank you. What then . . . would the minister just highlight for members of the committee the net savings that will result to the department as a result of the 15 positions cut in Swift Current and the other changes in the department around the province?

**Hon. Mr. Forbes:** — Mr. Chair, I can't give a specific in terms of Swift Current itself, but in our budget we've noted a savings of \$5.2 million from the staff reductions and office closures throughout the province.

**Mr. Wall:** — I would ask the minister if he could, or officials, to provide for what the breakdown of that 5.2 million is for, not just the Swift Current office but the changes at Leader in the Southwest, when officials could bring that information back at their convenience.

There's been concern expressed that some of the staff, a number of the staff may have been — in that Swift Current office — were eligible for retirement. Packages, however, were not offered and instead members of the department who were not eligible, with less experience, younger if you will, simply lost their jobs.

What were the specific reasons that the department didn't offer retirement packages to senior staff who may well have been ready to retire in lieu of eliminating these other positions from Swift Current's office and, to the extent it happened elsewhere, in those locations as well?

**Hon. Mr. Forbes:** — Thank you, Mr. Deputy Chair. I appreciate the question because this is a major concern in terms of younger people losing jobs. And retaining a good workforce, this is a very important concern. As well we had to take into account the cost in terms of the design of our program. And so when we did that, the early retirement packages that were offered were restricted to the positions that were abolished.

We also, when we went through our reorganization, we talked about program priority. That was very, very important. We had to take into consideration skill sets that we were looking for, and that was a consideration. I would say, though, about 40 people did take advantage of our early retirement offer, and so we're happy about that. That was approximately about a third of the positions that were lost, so it did have some impact.

**Mr. Wall:** — The eight field positions that were terminated, what specifically were those types of jobs in the grasslands eco region? And what now — and perhaps the minister will answer this question from a province-wide perspective — what now is the ratio of administrative or management personnel to front-line conservation officers, biologists, that sort of work? What is it now, and how does that compare to how it was prior to this budget?

So again those eight field positions, what specifically were those positions tasked with doing in that region? And also what is the ratio now of management or conservation officers or biologists — front-line staff, if you will — now versus prior to your latest budget?

**Hon. Mr. Forbes:** — For the eight field positions in the grasslands area, there was a customer service rep, a fire clerk, an integrated resource manager, a fisheries ecologist, a fish and wildlife technician, a landscape fire ecologist, and there were two vacant positions.

In regards to the ratio of front-line or conservation officers, biologists, that type of thing, compared to the admin staff, I would say that that will take some time to get the exact figures on that. But I would say that we reduced our senior management by about a third while the other staff, the other staff was reduced by about 8 per cent.

**Mr. Wall:** — I would appreciate that answer, because of course percentages and fractions don't tell us much about the ratios and maybe the ratios don't either, but certainly they would be a measure of the department's priorities I think in terms of conservation and biology versus management and administration. So I'd appreciate if the minister could have his officials provide that information.

It was the minister's party and the minister's leader that ran a campaign on, significantly on the environment, talked about a green and prosperous economy. And I think people would be interested to know if these changes in fact have left us with, in terms of a ratio, more managers versus those who are there to be stewards of the environment, to help conserve the environment — and we would hope that would not be the case.

As the minister will know, there are some specific issues in the Southwest with respect to CWD (chronic wasting disease).

There are some specific issues that I have raised as the local MLA, many constituents have with him and his predecessor, about the upland bird populations in the Southwest. And I'd like to ask some specific questions on Huns and chickens or partridge and grouse in the Southwest. Anecdotally we continue to hear that numbers are up of these bird numbers, at least in the South, in our zone. We understand, and I've certainly read the correspondence, that the department enacted some changes and made some improvements, by the way, in those original changes in terms of limits for non-residents in our area.

(19:30)

However I think there's still a bit of a difference now, there remains a difference, between what happens in the neighbouring provinces and in the Southwest. Why has the department not returned to the previous policy and gotten our policy more in line with what's happening in the neighbouring provinces? What is it, a population . . . Is it the department's statistics in terms of population for Huns and chickens or what's the reason that we still have a difference now in the province?

As you can imagine, there are those on both sides of this issue, those who would like to see hardly any harvest at all occur by non-residents or anyone else for that matter; and then there are a great many others who are also involved and have been for years, for decades in this business, who are very conservation minded, who are indeed stewards of the resource. In fact I'd suggest many non-resident hunters that come have been for decades stewards of this resource as well.

So I wonder if the department officials or the minister could provide some answers as what's going on currently with policy as it relates to Huns and chickens in the Southwest and across the province, and if they're anticipating any changes in the near future.

**Hon. Mr. Forbes:** — Well thank you for the question. In terms of the upland game birds, last year we piloted a seasonal bag limit in the Southeast. It was quite successful in managing the take from non-residents and so we're moving it into the southwest area. In terms of the status of population of these birds, it's excellent. We are confident that the resources are strong.

**Mr. Wall:** — Thank you, Minister. Could you please provide some details about this seasonal bag limits? I understand you said it was piloted in the Southeast and it's now going to be implemented in the Southwest. What is the . . . what are the specifics related to that, to those seasonal limits?

**Hon. Mr. Forbes:** — Mr. Deputy Chair, the details are on page 2 of the 2004 *Saskatchewan Hunters' & Trappers' Guide*, and I'd be happy to send over a copy of this.

**Mr. Wall:** — Thank you, Mr. Chair. You will . . . the minister then would be aware and his predecessors would be aware of the interest in this issue by a number of people that are either involved in the business, and of course conservationists, wildlife, the southwest wildlife federation. What consultation took place prior to the implementation of these changes? And I wouldn't mind getting a copy of that.

**Hon. Mr. Forbes:** — We do, Mr. Deputy Chair, we do our consultations with the wildlife advisory committee. They meet three times a year. Some of the people on that committee — the Trappers Association, the Saskatchewan Wildlife Federation, the outfitters, Nature Saskatchewan, and SARM (Saskatchewan Association of Rural Municipalities). And we consulted with them last fall regarding this issue.

**Mr. Wall:** — Did the minister consult with the businesses that have been in steady contact with him and his predecessor on this particular issue from my constituency as well as from the constituency of Wood River and Thunder Creek?

**Hon. Mr. Forbes:** — Mr. Deputy Chair, in terms of the consultation directly with the business community, we would be doing that through the different organizations connected to the wildlife advisory committee.

But I would mention that this upland bird hunting . . . it's incidental to goose hunting. They tend to do goose hunting in the morning and then the upland birds in the afternoon. So many of the businesses really appreciate this.

**Mr. Wall:** — Thank you, Minister, and thanks for sending over the guidelines for 2004.

And correct me if I'm wrong, but that was eight birds per day, possession limit 24 birds? That was the policy in place in the Southwest as well last year, I believe.

It was an increase from six birds per day and a possession of 20. And I think . . . and to the credit of the former minister, it was that particular change, the six birds per day, possession limit of 20, that caused several people to contact the minister, and certainly the member for Thunder Creek, myself, the member for Wood River, were talking to him and others met with him directly.

I think there was even a meeting between . . . I think the MLA (Member of the Legislative Assembly) for Thunder Creek was there as well as the minister and officials. So as a result of that intervention by people, the limits increased six birds a day and 20 possession went to eight a day and 24 possession.

There is still concern however, and I guess that's the point. In fact the minister would have received a letter from a constituent of mine in December '03 that highlighted the fact that that also didn't recognize a reality of bird numbers in the Southwest, and there was an encouragement there for change, and I guess that was where the question was in the first place.

What change, if any, is being contemplated to respond to that? And if there isn't a change, for whatever the reason, I guess I'd like to know if the minister would — and these folks would like to know — what the reason is. And if the reason is numbers, population numbers, that's what I'd also like the minister to supply, please, is the basis for going with this particular . . . which is an improvement, don't get me . . . I mean, it is an improvement, but I think there's still a desire for a return to how it was prior even to the six birds per day and 20-bird possession limits that were there.

So what was the reason to only to move to eight and not

further? Was it population, and if so, what are those population numbers? What are your conservation officers, your biologists, telling you about population numbers for Huns and chickens?

**Hon. Mr. Forbes:** — Thank you, Mr. Chair. We feel the increases are generous. It's a generous bag limit. What we want to do is see what the impact is and we'll measure that. And I think that's where we'll go from there.

**Mr. Wall:** — Were these limits in place last season, as I understand they were and, if so, what measuring have you done to determine . . . They were not in the Southwest, only in the Southeast? What impact did they have on the numbers in southeast Saskatchewan, if any, then?

(19:45)

**Hon. Mr. Forbes:** — Mr. Deputy Chair, in response to the question, this year, the seasonal increases happened this year. The . . . (inaudible) . . . of the pilot was last year, and that really focused around the bag limit. In terms of measuring of how that went in terms of the impact on the population, we believe that they're doing well.

And as well we took a look to see how the acceptance of the local people were in terms of this new strategy, and it seemed to be well received.

**Mr. Wall:** — Just one final question on this issue, Minister, and Mr. Chairman. In a recent letter to yourself from one of those involved in this business, he highlighted the fact that he had met with your predecessor in July '02 concerning the previous limits, and there was an indication and assurance that should any changes occur that there would be a review of the policy if it wasn't satisfying to all interested parties.

Now that's him paraphrasing a meeting with a minister; so again I don't want to put words in the mouth of your predecessor either. That's certainly, certainly not fair. But I guess I'd ask for that assurance tonight that, as these new limits proceed, will the department . . . will you specifically, Minister, meet with people that are interested who might have input for you? They highlighted that, at six birds, there was significant impact in terms of the economic opportunity surrounding this hunt.

So would you . . . Could I get an assurance from you that you would be available to meet with those interested — with or without their MLAs present. I don't think they care; just they would like the opportunity I'm sure to meet with you directly and tell you what's happening in their business, and most importantly, what their view is of what's happening to the numbers of the bird population, which at the end of the day I think everyone agrees is the most important thing here.

**Hon. Mr. Forbes:** — Thank you, Mr. Deputy Chair. I would be delighted to meet with people regarding their concerns and would be happy to, the department would.

And as well we will continue to use our wildlife advisory committee. I think that's a good structure that represents a lot of different interests and can bring a balance to these concerns. But it's important to hear the people, and so I'd be most

interested to follow up with that.

**The Deputy Chair:** — I recognize the member from Cannington.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. Mr. Minister, officials, again in the news in the past few weeks we've had problems at Moose Mountain Provincial Park with the long weekend in May. There were similar problems the year previously. From the year previous, from the 2003 May long weekend, I believe there was reported about \$10,000 damage to the park. I wonder if you can confirm that number or whatever that number might be.

And what policy changes, what administrative, what regulatory changes did you put in place for the provincial park, especially for Moose Mountain Provincial Park in dealing with the May long weekend?

**Hon. Mr. Forbes:** — Thank you, Mr. Deputy Chair. Actually in 2003 the damage, we understand, was about \$1,500; 2001 was a severe year with \$7,000 worth of damage; and of course this year we're estimating the damage will be about \$40,000.

Now some of the precautions that we took this year was for registered campers; they were issued wristbands so they could be easily identified. And we closed the overflow area to help control the number of individuals in the park. We also undertook a special educational program in some of the surrounding schools to prevent . . . that would help educate the students in terms of preventing vandalism and rowdiness prior to this long weekend.

I would say that on the weekend we had 11 conservation officers, and they were assisted by some 15 RCMP (Royal Canadian Mounted Police) officers as well who worked in the Moose Mountain Provincial Park on the long weekend.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Since you had . . . it was in the news last year about the incidents at Moose Mountain, and you say you had \$1,500 damage. This year you had, you're estimating \$40,000. Obviously the plan you put in place didn't solve the problem.

I wonder if you can describe in more detail the plan you put in place. It was my understanding, I've been informed, that any of the younger people that came into the park, they were scattered throughout the campsites throughout the whole park, and you mentioned you closed off the overflow to keep . . . so there wouldn't be as many people in the park.

How did that . . . did you scatter the young people throughout the camping areas? How did that work? Obviously there was a problem, but I don't know if that was related to the problem or, you know, or if that's what you actually did or that just was the occurrence that happened. You had the wristbands in place. So the placement of the campers, the young campers, that were a potential problem. How was that dealt with?

**Hon. Mr. Forbes:** — Thank you, Mr. Deputy Chair. I would say that the review of the procedures showed that a lot of it did work well. What was interesting that we had a plan that we would keep the families all in one loop, but all the campsites

were actually pre-booked, and only two families actually ended camping in the park that weekend. And so it was mostly young people who were in the park. From what we understand, the wristband system worked well.

The thing that was interesting was the damage that happened in the park was gradual. It wasn't, it didn't seem to happen as a mob activity. There appeared to be a small group of vandals who were bent on doing this kind of thing. It appears to have happened mostly on Sunday night and just throughout the night. And so while our strategies worked well for the larger group, it was a small group of vandals who were, who appeared bent on doing this kind of thing, and that was where the damage happened.

**Mr. D'Autremont:** — Thank you, Mr. Minister. When you say Sunday night, would that be after the day Sunday or Sunday a.m. — like the extension of Saturday night and Sunday a.m.? To me, that would have been the more logical time — not having been there. But an extension of Saturday night going into Sunday would have been the potential time, or was it Sunday night going into Monday morning?

Mr. Minister, I wonder if you could . . . Well I'll give you a chance to answer that question.

**Hon. Mr. Forbes:** — Apparently it was one or two incidents on Saturday evening into Sunday morning. But most of it actually happened on Sunday evening after 8 p.m. And that was when they occurred.

**Mr. D'Autremont:** — Okay. Thank you. Thank you, Mr. Minister. Mr. Minister, what was your rationale for having the park system closing off the overflow?

It's been suggested to me that perhaps another solution that you might have tried was putting all of the young people who wanted to camp in the area on that weekend into the overflow. Therefore they would have been centralized in one location and better supervision could have been provided by park officials and/or the RCMP.

**Hon. Mr. Forbes:** — We estimate, Mr. Deputy Chair, that there were about 2,200 kids or young people camping in the park that weekend. If we had used the overflow, that would have increased it by another 1,000.

The issue with the overflow is one of security. And I appreciate the comments made, but in the evening or at night, there is no power; there are no lights. And it is our belief it would have been much more difficult to provide security in an area like the overflow at Moose Mountain Park.

**Mr. D'Autremont:** — Mr. Minister, it's been suggested to me that perhaps the young people who were attending the park that weekend could have been directed immediately into that area, rather than simply allowing another 1,000 people to come into there; that the ordinary campgrounds at fish camp or Fish Creek would have been set aside for family units sort of thing, that you would use that for them. And the young people would go to the overflow to do their camping so that you would have ended up with the same number of young people there, but more space available for families if they wished to come.

Would that have been a potential opportunity for the . . . provide a solution in that manner? And as I said, you would have had them all in one location, and you could have provided perhaps better supervision from the parks officials and the RCMP.

(20:00)

**Hon. Mr. Forbes:** — Mr. Deputy Chair, what's interesting is many of the young people actually pre-book their sites, and only two families actually pre-booked to come to Moose Mountain. So that was the situation.

**Mr. D'Autremont:** — Thank you, Mr. Minister. I know that there has been comments in the newspapers and in the media of the potential to eliminate alcohol in the parks on the long weekend.

I guess one of my concerns, if that was to happen, would be that people would take their opportunities to consume alcohol outside of the park and then travel back into the park with their vehicles or however they might desire to do that, causing a hazard of a different nature, whereas if they have the opportunity to have alcohol at their campsite, it would be consumed there hopefully. And therefore, they're not in their vehicles if they had to consume the alcohol in some other location and then return to their campsites, that you would be creating a hazard of a different manner, a driving hazard. And that was a concern that was expressed to me by people from the area.

And so I think that it'd be important to keep that in mind if the elimination of alcohol is contemplated for our provincial parks. I know the business people in the area certainly would not appreciate that. And that is those that operate the liquor establishments, but also all the other people in the park as well that do not.

So I think it would be a concern if there was a move in that direction because of the hazard it would create with people taking advantage of the opportunities that are available outside of the park area and then returning to the park. Better that it be consumed at their campsites and they remain in place rather than travelling.

So I hope that's a consideration if you're looking at that in the future. So, Mr. Minister, are you contemplating in a serious manner such a move?

**Hon. Mr. Forbes:** — Mr. Deputy Chair, I appreciate the comments made by the member opposite. We'll be meeting with the cottagers and local businesses and the resort village of Kenosee to be talking about what happened this year, what's been happening over the past few years. We'll be looking at what worked, what didn't work, and developing a plan that we think will hopefully resolve the May long weekend and the problems it causes. But I appreciate the comments made by the member opposite.

**Mr. D'Autremont:** — Thank you, Mr. Minister. I have another issue dealing with the park as well. This is with the golf course. The golf course is owned by the province through the park system. The improvements that are made to the golf course,

who owns those improvements?

**Hon. Mr. Forbes:** — My understanding is that in terms of the golf course is that the structures of the buildings are owned by the lessee, and the land is owned of course by the government, the parks.

**Mr. D'Autremont:** — Thank you, Mr. Minister. So who is responsible then for making improvements to the land portion of the golf course? Is it the lessee? Is it their responsibility to make improvements to property they do not own? Or is it the responsibility of the government to make improvements to the land that the government owns?

**Hon. Mr. Forbes:** — Mr. Deputy Chair, it would be the responsibility of the lessee to, as they are leasing the land, to maintain and develop the land as it needs to be developed to be operated as a golf course. So it would be the lessee.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Mr. Minister, does the government participate financially in operating or upgrading any golf courses in any of the provincial parks?

**Hon. Mr. Forbes:** — Mr. Deputy Chair, I believe not, but we'll double-check that and if that's different I'll get back to the member opposite.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Mr. Minister, your department and the government have talked about the green and prosperous Saskatchewan, and I noted the other day the member from Moose Jaw North talked about the benefits of natural gas powered vehicles. Does the government have a policy, or does Environment have a policy dealing with alternate fuel sources for vehicles?

**Hon. Mr. Forbes:** — Mr. Deputy Chair, this would fall within the range of SPMC (Saskatchewan Property Management Corporation). They do the CVAs (Central Vehicle Agency) and so I would say that we don't have that kind of policy that deals with alternate fuels.

**Mr. D'Autremont:** — So as the Department of Environment you're silent on the use of alternate energy sources for vehicles? Your department obviously promotes a green environment strategy so surely your department must have a part in the planning process, in the advising process to the Premier and to the government in relationship to how to develop a green economy in this province.

**Hon. Mr. Forbes:** — Mr. Deputy Chair, of course we're very interested in this and it's an important issue, especially when you talk about the green and prosperous economy. And essentially what we're looking at is the green strategy. And at this point we're developing what that means. What does it mean to be green and prosperous? And of course alternate fuels plays a big, big part of that.

In terms of the Department of Environment I believe . . . I thought the member was asking about our own internal working here. But no, that's an important question and I think that over the next few months we'll be talking about some very, very exciting stuff with a new green strategy.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Will your exciting green strategy include a recommendation on vehicle usage, alternate energy sources, alternate means of powering vehicles?

**Hon. Mr. Forbes:** — Well this is an exciting area, alternate energy fuels. And of course the kind of thing that we're doing as a government, we're very proud of our wind energy. That's very, very key. As well, I'm happy to be the Minister Responsible for the Office of Energy Conservation which deals an awful lot with housing and that type of thing.

And so there's exciting work to be done and we're just at the start of it. And we're proud to be leading the way in many ways in this way.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. My question was in relationship to vehicles which are one of the sources of CO<sub>2</sub> emissions in this province. And I'm wondering, does your department have a strategy in place, a recommendation to put forward to government, dealing with alternate power sources for vehicles.

The member from Moose Jaw North was talking the other day about, as I mentioned, a new natural gas service station that went into place as an alternate energy source for vehicles to be used in this province. Does the Department of Environment have a strategy in place, a recommendation to put forward to government?

**Hon. Mr. Forbes:** — Mr. Deputy Chair, at this point in terms of do we have a recommendation specifically about alternate fuels for vehicles that's coming out of the Department of Environment — not at this time. We have set our performance plan, and there's other issues that we're looking at. And this is very important, but I would say that this is the kind of thing that SRC (Saskatchewan Research Council) and Industry and Resources are doing.

I mean we had an exciting announcement a month or so ago where the Premier was talking about hydrogen fuel and that was a really interesting concept. But as for the Department of Environment making a recommendation in the near future, we're looking at all different types of things but we don't have a recommendation on the table.

**Mr. D'Autremont:** — Thank you, Mr. Minister. Well, Mr. Minister, you may or may not be aware but vehicles powered by natural gas or propane, currently there are none being manufactured for sale in North America, that if you want to utilize that kind of a fuel within your vehicle you have to put on an aftermarket kit. What that does is voids your warranty. So that's a huge impediment for someone who is concerned about trying to be as green as possible.

(20:15)

There are new vehicles though coming out that are much greener and those are the hybrid vehicles, the gas-electric powered vehicles. In fact is they get phenomenal gas mileage. Mr. Minister, is your department looking at that as a potential area for reducing CO<sub>2</sub> emissions?



**Hon. Mr. Forbes:** — Well, Mr. Chair, I can stand up really quick on that because — I don't know if the member is aware but I told many people on this side — actually personally I'm getting a hybrid on Monday or Tuesday next week, and I'm looking forward to bringing it down here and maybe we can go for a spin.

But I appreciate the question because I think it's a fair one. And we see the kind of work that we've done around Energy Star appliances and the response that's been taken up through that, so maybe we should be looking at that. But I think that we're looking at all sorts of things around hybrids. And there are certain constraints that we have as a government in terms of our own purchases but I think we should take a leadership role in this area.

**Mr. D'Autremont:** — Thank you, Mr. Minister. There are a number of fuel types that we can utilize in this province that would help the environment — that being ethanol, bio-diesel; and using hybrid vehicles is one of those with the gas-electric engines. And I think it would be very worthwhile for your department to take a serious look at them as to what kind of benefit they would be to Saskatchewan and to our production of CO<sub>2</sub> emissions.

I'm not sure where the federal government is going to continue to move in that direction, but if we know where we're at today then we can make it an easier estimate of the benefits and the things that we have changed to improve the environment when it comes time to start counting carbon credits. And if you haven't started to measure before that point, then you're going to be at a loss to make a determination as to what the value of the changes that we have made.

So I think it's well worth your while to take a very serious look at this, Mr. Minister.

**The Chair:** — I recognize the member for Cypress Hills.

**Mr. Elhard:** — Thank you, Mr. Chairman. And good evening, Mr. Minister, to you and your officials. I have a few questions I would like to direct again concerning the provincial parks.

As you are well aware, Cypress Hills provincial park is in my constituency and I have a particular fondness for the place. And some of the issues that have been brought to my attention recently require that I advance these questions on behalf of my constituents.

I understand that in a previous estimates discussion you indicated that there were going to be three firefighters lost from the contingent, the firefighting contingent that is dedicated to that task in the provincial park. Can you tell me how many firefighters remain stationed within the park? And are they all going to be Saskatchewan Environment employees?

**Hon. Mr. Forbes:** — Mr. Chair, there will be six firefighters there. There are two — essentially what they are — two crews of three firefighters. So six firefighters are still there.

**Mr. Elhard:** — Thank you, Mr. Minister. Through the Chair to the minister, I assume as part of your response they are all Sask. Environment employees? Okay. Will volunteers be accepted as

firefighters in cases of emergency in the park?

**Hon. Mr. Forbes:** — Mr. Chair, this would occur with the direction and discretion of the local fire manager at the park. We would be using the volunteers who are trained and work with the local RMs (rural municipality). They would be the ones that we would use.

**Mr. Elhard:** — I understand that there is a plan in place to bring additional backup firefighters from other areas of the province if the emergency situation necessitated. Where would those first responders, that first line of defence group of firefighting people come from?

**Hon. Mr. Forbes:** — Mr. Chair, this will depend on the fire activity that's happening in the province at the particular time, so it would be speculative at this point to say from which base they would come from. The initial attack of course would be from Cypress Hills.

**Mr. Elhard:** — So given that situation, Mr. Minister, it's hard to say what the estimated response time might be of additional firefighting crews. Is that right?

The reason I'm bringing this issue to the discussion tonight again is, as you're well aware, the Cypress Hills area was exceptionally dry an extended period of time last summer. It's not the case now, I might add, but it has been exceptionally dry.

And with the nature of the forest there, the uniqueness of the forest and the tragedy that would ensue if that forest was lost to a fire, I think the concern of the local residents and the people who enjoy the park is that a very immediate response could be made to any lightning strike or other reason for fire.

So, Mr. Minister, I guess what I'm concerned about is, let's assume we've got a hazardous fire situation and we've only got, at the most, six local employees for fire response. What is the timeliness of additional response and what other plans are in place to suppress fire or control fire if it should break out in the park?

**Hon. Mr. Forbes:** — Mr. Chair, well the response is there has been an emergency plan developed in case evacuation is required. It's been developed and it's been practised.

We've been doing several strategies: vegetation management in regards to vegetation management, fuel reduction in the centre block, and developing fuel breaks so that we can redirect the fire away from the core areas.

As well, we estimate a water bomber could be within the area within two hours and additional firefighting crews to follow shortly thereafter.

**Mr. Elhard:** — Mr. Minister, the management you're talking about includes removing deadfall. Does it also include culling still standing trees that might present a risk or an additional hazard?

**Hon. Mr. Forbes:** — The short answer is yes to both. We're culling and clearing off the over-mature trees that are still standing, and clearing out that deadwood too.

**Mr. Elhard:** — I haven't visited the park yet this season, but the process to cull existing trees and deadfall, is that being done by private contractor or is that being done by the department?

**Hon. Mr. Forbes:** — Private contractor.

**Mr. Elhard:** — So can I assume from that that some good use is being put to the lumber that is culled from that particular exercise?

**Hon. Mr. Forbes:** — Yes. We believe so, yes.

**Mr. Elhard:** — Do we know what that good use might be?

**Hon. Mr. Forbes:** — Yes. It's either for telephone poles or for pine lumber.

**Mr. Elhard:** — Thank you, Mr. Minister. I want to move to another subject, but still related to the park itself.

As you might recall, last spring at the park was a rather long and cool and wet spring, and we're seeing that situation repeated this year. As a consequence though, park attendance for the first part of the year was down considerably. Revenues were down considerably. That resulted in a cutback in programs that raised . . . well created quite a brouhaha locally that I don't think the department wants to experience again this year.

Conditions are similar, however, Mr. Minister, and it may take some time for traffic to meet the expected numbers that I'm sure the park has budgeted. So what I'm going to do is propose something to the minister and the department today that I hope they'll consider. As any good businessman would do, if business was down they would look at ways of increasing traffic and getting more business as a result.

And it's been suggested to me that the \$7 per day entry fee that is charged to people going into the park be reduced considerably, especially for people who are coming in for short day trips. If they're coming in just to golf, for instance, or if they're coming in just in the evening for a leisurely meal or a walk around the park, if they're just coming in for a limited amount of time, would it not be appropriate to induce more traffic, or entice more visitors to the park on day trips by reducing the fee to say 2 or \$3 to accomplish that?

As you can understand, somebody who wants to come to the park to golf is not likely to pay \$7 in entry fees and then whatever the green fees are on top of that. It makes it quite prohibitive, especially for local people, to use the features of the park to best advantage.

**Hon. Mr. Forbes:** — I appreciate the suggestions. And we're always open to new ideas like that, so we'll take that under consideration.

**Mr. Elhard:** — Thank you, Mr. Minister. I think the management of the park would probably welcome that kind of a change and I know the business operators in the park would certainly be welcoming of that kind of consideration. Here we are, you know, early in June and we haven't had more than a couple of decent days in the park for visitors or campers or even day trippers, for that matter. And I'm sure that anything that

you could undertake to improve those numbers would be greatly appreciated.

(20:30)

Mr. Minister, I have a couple of other issues that I'd like to raise with you today. And I think I want to stay on the environmental-related issues, particularly as it concerns the Great Sand Hills right now. And I'm not going to go into a lot of detail because I know we're waiting for the final report of the review committee that was struck. But as part of the budget this year, at least two positions from Sask Environment were lost in the community of Leader, which by proximity was by far the closest community to the Great Sand Hills.

Now we all know that the Sand Hills are considered to be one of the most pristine, natural areas that the province has to offer and we know that it has a great . . . well it's a great asset to the province as a whole. And naturalists and environmentalists enjoy it, but so do the local people. Unfortunately with the absence of the environment officers, the two officers that were dislocated from the community of Leader, monitoring the activities of the public in that area is going to be considerably more difficult.

Will the minister explain for us what the department has as a contingency plan to protect the Sand Hills in the absence of those officers?

**Hon. Mr. Forbes:** — Thank you, Mr. Chair. The forest budget was tough, and we had to make some difficult choices and this was one of them. Our plans are to monitor the Great Sand Hills and the activities there out of Swift Current, Maple Creek, and Kindersley, and I think we'll be able to do a good job with that.

**Mr. Elhard:** — Mr. Minister, I beg to differ. I'm sorry. I just can't accept the fact that the oversight of that particularly sensitive area can be achieved with nearly the rigour or the discipline that two members stationed right in Leader could have provided. And given the fact that the Sand Hills is — as has been repeatedly stated — one of the most sensitive and pristine environmental areas of the province, that to take the environmental officers out of that immediate vicinity was a mistake, and I think in the long run will be very detrimental to the oversight provided to that park and probably will result in abuse of the park at some level by people who care little for the impact of their actions in the area.

Now I understand you had difficult choices to make and I will accept that assertion from the minister, but I think there might have been areas in which those decisions could have been implemented that wouldn't have had as dramatic effect on such a unique and specifically important area.

As you also know, Mr. Minister, as a result of the review that's now going on, the Sand Hills are subject to a lot of pressure from developmental activities in oil and gas and unless the local RMs are going to take up the task that Sask Environment ought to play in that area, there's not going to be nearly the necessary oversight provided to that area. So I would ask the minister frankly to reconsider, or if not reconsider the decision to cut employees, maybe redeploy existing personnel so that they can be in that very important area.

If the Sand Hills was the only consideration in that area, it would be enough to justify the presence of two officers but that's not the case. There are other ecologically sensitive areas and other reasons why we need those kinds of enforcement opportunities and officials in the community of Leader.

Does the minister care to respond to my comments or will he take them under advisement?

**Hon. Mr. Forbes:** — No, I appreciate the insight and I know the Sand Hills as well and they are a very important and critical and what a gift they are to Saskatchewan. So I appreciate the comments and will take them under advisement.

**Mr. Elhard:** — I would like to move to another area if I may, Mr. Minister, and I brought with me tonight letters from three small communities in the constituency of Cypress Hills. And when I say small I guess the largest of the three would be Fox Valley, which is by any standard a very small community in its own right.

But I have a letter here from Golden Prairie, which you know is a home to about maybe 30 people, and the village of Richmond which has a few hundred people. And what they're concerned about, Mr. Minister, is the implications of subsection 35 of The Water Regulations.

And their letters to me are basically saying with the downloading of police costs, assessment costs, increases in power, gas, waste disposal, contributions for local hospital, the list goes on and on there is simply no money in the budgets of these communities to perform the assessments required under subsection 35 of The Water Regulations.

And their letter goes on to say:

We are not suggesting that the assessments are of no material value, but the assessment is no good to a community if a community has no revenue left to operate thereafter. In Saskatchewan it seems as though we study everything until there's no money remaining for the purpose of the study.

So what they're asking for — you probably received copies of these letters — what they're asking for is either some way to accommodate the very, very serious financial constraints of these small communities. If we conduct these studies at the level of costs that's being inflicted on these communities, they won't have money to operate the very systems we're studying. And they certainly won't be able to make the improvements necessary if the study finds them inadequate.

**Hon. Mr. Forbes:** — Mr. Chair, I appreciate the difficulties the member opposite points out. It is difficult sometimes for the smaller communities to afford the studies.

So we would really encourage . . . One of the ways we're offering or suggesting to the communities is regional co-operation both in terms of the study, that these communities can go together for one regional study and, as well then, that would be a way of developing plans or options for operating their water systems.

So I don't know if they've considered that. That would be one way they would . . . one thing they would look at.

**Mr. Elhard:** — Mr. Minister, could you give me an indication of how that might work in some of these areas, most of whom have water resources that are dependent . . . like their systems are dependent on wells locally as opposed to flowing rivers or pipelines or anything of that nature.

**Hon. Mr. Forbes:** — Mr. Chair, there are several examples in the province of this happening where one consultant can evaluate several similar systems. They don't need to be connected together or part of it. They can be evaluated at the same time and share the cost that way.

And as well, an operator who is certified can be responsible for more than one system. And they just have to work out the logistics of that, and that's also a good way to reduce costs.

**Mr. Elhard:** — I take it from your response, Mr. Minister, though, that the regulations really are a one-size-fits-all design, that it doesn't matter if the municipality is 40 people or 4,000 people. The implications of this regulation . . . or the application of this regulation will be the same.

**Hon. Mr. Forbes:** — Well, Mr. Chair, at the end of the day really the regulations are there to protect the health and safety of the people who use the water system, and that's the critical point of the regulations. And so in that sense yes, that's true, and we are determined to make sure that that happens. But we want to make sure it happens in a way that people can afford it.

**Mr. Elhard:** — I think the communities would appreciate your concern for what they can afford, but the reality is, Mr. Minister . . . I don't know what the costs are, but let's estimate several thousand dollars to do an evaluation. Several thousand dollars shared by 30 or 40 people is going to put the end to the community. You know, I mean frankly we're looking at eliminating the continued existence of some communities.

The costs being downloaded to these small and tiny — miniscule — communities is just unbearable at this point. And I think that by enforcing these regulations, especially in situations where they haven't had any water quality issues or any health concerns to this date, but to impose these regulations and say that these are absolutely unyielding, they have to be completed, they have to be attended to, in the name of protecting public health will ultimately bring the complete demise of these communities.

And I know the importance of trying to establish a standard, and I know the importance of protecting public health. But I think the ultimate existence of these communities will rest with the full imposition of the regulations as indicated here, and well, I guess that's a burden your government will have to bear. I don't know though that the future and the continued existence of some of these communities is worth the price that's being extracted from them in these particular regulations.

(20:45)

I have another area I just want to touch on quickly. Mr. Minister, you were in Eastend just a couple of weeks ago and

signed an agreement with the Nature Conservancy of Canada at which time you agreed to long-term funding. I think the amount was about \$300,000. Would you explain for the record tonight where the funding is coming from, what it's intended to do, the agreement length, and the government's relationship with the Nature Conservancy of Canada?

**Hon. Mr. Forbes:** — Mr. Chair, the funds for this, the \$300,000 approximately, came from the Fish and Wildlife Development Fund which . . . And we have set aside up to \$500,000 in the acquisition and management of ecologically important landscape areas such as Old Man on His Back site and the Missouri Coteau site that the Nature Conservancy has identified. And we think these are important areas.

The Fish and Wildlife Development Fund is funded partially . . . is funded through 30 per cent of the licenses for hunting and fishing. And it's an important ecological initiative that we have in the government in partnership with many other groups here in Saskatchewan.

**Mr. Elhard:** — Thank you, Mr. Minister. How much money is in the Fish and Wildlife Fund at this time?

**Hon. Mr. Forbes:** — Mr. Chair, the Fish and Wildlife Development Fund will see about \$3.92 million in revenue. The expenses this year are 3.7 million, and the Fish and Wildlife Development Fund has about \$20.4 million worth of assets.

**Mr. Elhard:** — Mr. Minister, did I misunderstand you? Did you say that the agreement with Nature Conservancy of Canada is for \$500,000 over a period of time? I thought it was 300, and that's why I'm asking. It is 500?

**Hon. Mr. Forbes:** — Yes, it is for \$500,000. Over five? Over five years, yes.

**Mr. Elhard:** — Mr. Minister, do you attach any strings to that money when you give it to an organization like Nature Conservancy of Canada? Do you specify how they ought to or need to spend that money?

**Hon. Mr. Forbes:** — Mr. Chair, yes there are specifications set out in the agreement, and we expect the other party to live up to those specifications.

**Mr. Elhard:** — Will that agreement be made public, Mr. Minister?

**Hon. Mr. Forbes:** — It is, yes.

**Mr. Elhard:** — I would notice something else in the presentation that you made with the Nature Conservancy at the Eastend event.

One of the conditions I understand is that you would allow subleasing. There's a subleasing arrangement made with the conservancy regarding the land that they were going to be operating. Could you explain exactly what is meant by a subleasing arrangement in this particular case, explain how that was arrived at, and how you anticipate it will work?

**Hon. Mr. Forbes:** — Mr. Chair, I'd be happy to send the

member opposite the details of the subleasing agreement. And also the agreement in terms of the . . . with the Old Man on His Back the details of that situation. We don't have that with us right now. I want to make sure we have it correct.

**Mr. Elhard:** — Is this, Mr. Minister, a unique arrangement? Is it something that is happening for the first time in this particular agreement, or is this something that has happened previously? Do you have other organizations that you've entered into agreements with that would also be eligible for subleasing provisions?

**Hon. Mr. Forbes:** — Mr. Chair, we have similar agreements with Ducks Unlimited, the Wildlife Federation, the Rocky Mountain Elk Foundation.

But in terms of the subleasing aspect, we're not quite sure. And so I will get that detail and get that over to the member opposite.

**Mr. Elhard:** — Mr. Minister, in those circumstances in those leases, are we talking about Crown leases that are held by the Agriculture department and agreed to by the Department of Environment? Or are those leases that become the property and control of the lessee through Sask Environment? Is there a difference between the kind of leases the cattlemen are able to have and the Nature Conservancy has in this case?

**Hon. Mr. Forbes:** — Mr. Chair, essentially what happens is the Fish and Wildlife Development Fund and the foundation together cost share the purchase of the land. The land's title though is in the name of the Fish and Wildlife Development Fund. The subleasing really is the management, what they do with the land. That is the arrangement.

**Mr. Elhard:** — Thank you, Mr. Minister. I would appreciate the material we talked about earlier if you could provide that for me?

You know, a little while ago, I was so busy lecturing you about how you were going to put communities out of business that I forgot to ask the killer question that I wanted to ask. And I guess basically the question becomes: in those situations where small communities simply cannot pay, how are you going to enforce your rules? How are you going to do that? How are you going to impose those regulations on communities that simply cannot pay?

(21:00)

**Hon. Mr. Forbes:** — Mr. Chair, I appreciate the difficulty these small communities find themselves in, and compliance is a real challenge. And our goal at the end of the day is to make sure people have safe drinking water. So we work in terms of educating the people and consulting with them, talking about the full range of options they might have.

Of course, it all depends on the makeup of the community, whether they have a school or whether they have a hotel, whether they have a shared common hall. Those things may complicate the issues more than if they were just a collection of homes. So there's a whole range of options. And some may even consider a hygienic water system, but again that depends

on the makeup of what the community is.

And so, we would work with each one individually, again as we've talked about earlier, whether there's things they could work together co-operatively with. It is a challenge but is a real challenge that's facing all communities these days. Drinking water is a very, very important issue, and we know and we hear in the media it's the environmental challenge of the century really.

**The Chair:** — I recognize the member for Wood River.

**Mr. Huyghebaert:** — Thank you, Mr. Chair of committees. Mr. Minister, because of the lateness of the evening and the amount of time we've been going, I'm sure you're ready for a break, and I've an awful lot of material. So I just, what I wanted to do right now is pose to you a couple of items that may need some research on your behalf. And I really don't need an answer this evening, but when we next meet if I could get an update on the one file anyway.

But the first one is the Saskatchewan livestock predation program, and I've been getting an awful lot of information on that. And one of the issues and problems that we run into is who's responsible for it. And my understanding is that it's funded by Sask Ag and Food, but they say they don't look after it. They say Environment looks after it.

And yet . . . And I have not asked you the question so that's why I'd like the research on it. Is Environment . . . can say, well it's not ours because we don't fund it, and we play this great game of passing the buck. And so, that's a question I would like to ask you next time and have an answer, if I may, is who actually is in charge of the predation program, and then I'll go into the questions on it.

The second item, Mr. Minister, is a file and I'm sure your staff and possibly yourself have reams and reams of correspondence on the Pinkowitz file. And I know I sure do, and I have a huge amount of correspondence. And I would like, when we next meet, if it would be possible for you to give an update to me on the file and where it's going, the status of it. And it would be nice if I could get it even in writing from your officials to you . . . if I could get a copy of it, but barring that, even if we could get it on record in the House, the status of that file and where it's going, what it's done, and if there's any movement on it.

So I don't really have a question for that, Mr. Minister, unless you wish to reply. And we could move on with the next set of estimates unless you wish to reply to that.

**Hon. Mr. Forbes:** — I appreciate the notice of the questions, and we'll do our best to be ready for the next estimates. And I thank you for that. I thank the officials for being here. Thank you, Mr. Chair.

**The Chair:** — I recognize the Government House Leader.

**Hon. Mr. Van Mulligen:** — Mr. Chair, I move that we report progress.

**The Chair:** — The Government House Leader has moved that we report progress on the consideration of estimates for the

Department of Environment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That is carried. The next item before the committee is the consideration of estimates for the Department of Agriculture and Food. And we'll take a brief recess while the minister gets set.

**General Revenue Fund  
Agriculture, Food and Rural Revitalization  
Vote 1**

**Subvote (AG01)**

**The Chair:** — Order. The next item before the Committee of Finance is the consideration of estimates for the Department of Agriculture, Food and Rural Revitalization found on page 29 of the Estimates book. And I recognize the minister to introduce his officials.

**Hon. Mr. Wartman:** — Thank you very much, Mr. Chair. To my immediate left is Doug Matthies, the deputy minister. Behind Doug is Hal Cushon, the assistant deputy minister. And to my right, Louise Greenberg, assistant deputy minister; and immediately behind me, Maryellen Carlson, assistant deputy minister.

In the back row, on this side closest to the door is Stan Benjamin, who is the acting general manager for the Saskatchewan Crop Insurance Corporation. And I'll just ask you to . . . well I'll go through the list from Stan across that way. Next to Stan is Jack Zepp, director of agri-business development branch; next to Jack is Dave Boehm, director of financial programs branch; and next to him is Greg Haase, director of the lands branch; and Rick Burton, director of policy branch; and on the far end, Laurier Donais, senior manager financial systems, corporate services branch. Those are the staff from Agriculture.

**The Chair:** — Administration, (AG01). I recognize the member from Thunder Creek.

**Mr. Stewart:** — Thank you, Mr. Chair. I'd like to take this opportunity before I begin to welcome the minister's officials and the minister. And I'd like to start off with some questions on the changes to the farm fuel rebate program. And I understand that at the time of the budget it was announced that the farm fuel rebate was eliminated on gasoline and propane bought at retail outlets, and besides that a 20 per cent reduction in the rebate on bulk farm fuel purchases.

Since then I understand there have been some changes regarding key locks and card locks. Could the minister elaborate on that? And I think that at the time of the budget there was a 200-litre minimum. Is that still in place as well, Mr. Minister?

**Hon. Mr. Wartman:** — Basically, to the member, the details of the program, it is a Finance program. They would have the details on the program for the member.

**Mr. Stewart:** — Thank you, Mr. Minister. I'll move on to a

crop insurance matter then. I understand that certain producers are put into a special program. And I think it's producers who have had a series of bad experiences in crop production — two or three bad years, or something of that nature. I think the program is called farm practice review. Could the minister elaborate on that? And I may have the name not quite right, but could the minister elaborate on that program and how it's operated?

**Hon. Mr. Wartman:** — To the member, the program is farm practice checks. And it's a part of really of making sure that the risks that the crop insurance company faces in the business are appropriate.

And there are a number of factors that could trigger a farm practice check. It could be several years of significant losses and so the check would come into place to see if those . . . not necessary that it's bad practice, there could be some things that really are outside of the abilities of a particular farm that would lead to these checks.

It also would be triggered if there were several years of atypical losses, that is the losses were not similar to losses in the region to the farmers who would be close to that particular producer.

So people who are on this, some might be on it for a very short period. The determination would be that there were just some very clear reasons why they had the losses they had and the corporation would be satisfied that they were not incurring any undue risk in continuing to insure the particular producers.

**Mr. Stewart:** — Thank you, Mr. Minister. Mr. Minister, who in the Saskatchewan Crop Insurance Corporation would determine when a farmer will be put under this farm practice checks program?

(21:15)

**Hon. Mr. Wartman:** — The person would probably . . . or the producer would probably come under a check after the office, the customer service officer manager looked at what was happening in a particular producer's operations and it, you know, sees that there are some atypical losses there. It could also be triggered by the audit department looking through various claims, looking at the claims history, and again if they were to identify some of those non-typical losses, as I was indicating earlier, from either several years of significant claims or from a claims history that is quite different from those in the area.

**Mr. Stewart:** — Mr. Minister, what is the protocol under this farm practices checks program to carry out the actual on-farm checks? Is that done by a reporting to the Crop Insurance office by the producer or is it done by actual farm visits or calls, or what is the situation there, Mr. Minister?

**Hon. Mr. Wartman:** — In terms of the protocol, generally the Crop Insurance Corporation would require the farmer to submit a business plan. There would be basic drive-by assessment, and then once the plan is in and the Crop Insurance Corporation knows what the farmer is planning in terms of practices for the upcoming year, there would then be a series of visits that would be scheduled. Seeding time, spraying, probably another visit

prior to harvest.

Now in some of those cases, if the assessment is that proper practices are being followed, that everything seems to be unfolding properly, they might not require a further visit. But it might also require a post-harvest visit and if there is still concerns the protocol could lead into continued checks in the year ahead.

**Mr. Stewart:** — Thank you, Mr. Minister. So I take it that that would be probably three or four visits during a production season or something to that effect? Yes, that's what I understand from your answer. Thank you, Mr. Minister.

Now along with these visits, is there any management assistance or technical assistance offered by the officials that are involved in this program or is it just strictly a monitoring of the farmers' activities?

**Hon. Mr. Wartman:** — Generally the role of the Crop Insurance Corporation is really to administer and to make sure that the risks involved in insuring the crops are basically reasonable, and it is not their duty or responsibility to provide advice on farming practices. And so they're advised not to do so.

On the other hand, with concern for farmers, they've had experience and they might advise that a farmer seek some assistance from other sources of agricultural expertise.

**Mr. Stewart:** — Thank you, Mr. Minister. With the closure of the 22 rural service centres, it must be harder and harder for producers to obtain that expertise.

Do producers that are put under this program, Mr. Minister, this farm practice checks program, sign documentation to allow Crop Insurance officials on their property to make these inspections?

**Hon. Mr. Wartman:** — First of all, I would just like to note that it is our understanding, as we've reviewed on a number of occasions, that Agriculture and Food has really tried to provide resources effectively.

We have surveyed the province and we believe that with the change to our agribusiness development centres, those nine centres plus the call centre, from a Department of Agriculture perspective, we are available and providing a wide array of information for producers who are looking for information on farming practices.

And as I believe I've also mentioned on several occasions and I'm pretty sure the member is well aware of as well, that there certainly are a number of practising agrologists — a significant number of them — some in private, some of them who are with corporations, who are out there and who also will be providing advice. So we think that, in terms of a reference from the Crop Insurance Corporation to seek further advice, that there are many, many resources available to producers out there.

Secondly, with regard to the question about access and the checking that Crop Insurance might do on a producer's operation, basically one of the conditions of a contract for crop

insurance is that there be reasonable access to the corporation to make sure that the risks are appropriate. And just as a matter of practice, every effort is made to contact producers before there would be an on-farm visit. And it's also very common practice for the Crop Insurance Corporation to invite the producer to travel with the Crop Insurance person who's out doing the inspections.

**Mr. Stewart:** — Thank you, Mr. Minister. By reasonable access, would that include visits by Crop Insurance officials without the presence or knowledge of the producer?

**Hon. Mr. Wartman:** — I think, as I indicated earlier, that generally every effort is made to contact the producer. There are times when that doesn't happen, but general practice would be that the producer would be contacted. And if possible, it is most often desirable that the producer would be there with the Crop Insurance inspector just to make sure that there aren't any differences or conflicts in terms of what the fact situation would be.

**Mr. Stewart:** — Thank you, Mr. Minister. Let's move on and discuss the closure of some 22 rural service centres. Mr. Minister, with regard to those closures, how many people have been laid off as a result of the closures, and how many of those laid off were agrologists?

**Hon. Mr. Wartman:** — In total there were 120 people both part-time and full-time laid off and of those, 32 were agrologists.

**Mr. Stewart:** — Thank you, Mr. Minister. How many agrologists will that leave in the employ of Saskatchewan Ag and Food?

**Hon. Mr. Wartman:** — When the staffing changes are completed, we anticipate having 141 agrologists in total on staff with the department.

**Mr. Stewart:** — Thank you, Mr. Minister. Will those 141-odd agrologists that will be left in the employ of the Saskatchewan Department of Ag and Food be paid at the same pay scale or on the same pay scale that the agronomists, agrologists that were employed in the 22 rural service centres were paid at, or will they be paid on a higher pay scale?

(21:30)

**Hon. Mr. Wartman:** — The agrologists are classed in terms of pay; they're classed according to the responsibilities that they carry. Some of those are significantly higher than others, and it's basically around the expectations and the responsibilities that are there for them.

**Mr. Stewart:** — Thank you, Mr. Minister. Will agrologists with similar responsibilities and duties, that we've seen the agrologists employed in the rural service centres in the past, be paid at the same pay scale under the new system as those agrologists were under in the 22 rural service centres that are closed?

**Hon. Mr. Wartman:** — First of all I have to go back to one other question for the member. You said that there were

141-odd agrologists. I just want to point out that there may be the odd, odd agrologist, but generally they're pretty normal people. So I just thought I'd make that point for the member.

Secondly, I do want to note that the duties that the agrologists were performing prior to the changes, and the duties that will be expected of them following that, they're simply not the same. There's not a direct comparison.

And so we'll see, for example, with the agrologists who are working in the call centre in Moose Jaw, our expectations are fairly high in terms of their level of specialization that they have to have. And so we will be paying those at a higher level, according to the specialization that they have to have — degree of specialization. And some of those who were formerly employed in the centres will be getting into the call centre and will be paid according to their new job specifications at a higher level.

**Mr. Stewart:** — Thank you, Mr. Minister. I certainly didn't mean to imply that all 141 agrologists would be odd — or any of them for that matter. Mr. Minister, the new facility that will be set up in Moose Jaw, where . . . First of all, when will that facility be opening and will it be housed in the same building that the rural service centre in Moose Jaw was in on Thatcher Drive?

**Hon. Mr. Wartman:** — The Moose Jaw centre is housed in the same location and it has been fully operational since April 1. That said, we're still at various stages in terms of filling all of the positions for the specialist agrologists who will be employed there. But it has been operating effectively since April 1.

**Mr. Stewart:** — Thank you, Mr. Minister. Rural municipalities display and distribute a large number of Department of Ag and Food brochures and information and so on. Where will they be supplied from now with that material? Will it be from the local centre or is it from a central location in Regina? Because I know there have been some problems with having those supplies replenished.

**Hon. Mr. Wartman:** — The knowledge centre will act as the clearing house for information requests. RMs have asked in the past for specific information and they would simply refer those requests now to the knowledge centre and the materials would be provided to them.

**Mr. Stewart:** — Thank you, Mr. Minister. How many people will be employed in the knowledge centre in Moose Jaw and, out of those employees, how many will be agrologists?

**Hon. Mr. Wartman:** — There are 14 employed in total at the centre and nine of those are agrologists.

**Mr. Stewart:** — Thank you, Mr. Minister. Mr. Minister, will there be other knowledge centres similar to the Moose Jaw situation around the province or will Moose Jaw be a unique set-up?

**Hon. Mr. Wartman:** — Generally we would expect that requests would come into a knowledge centre. They might refer to one of the agribusiness development centres or particularly if it was around developing or starting a new business or

expanding agribusiness, then it might well be directed to one of those nine centres dispersed around the province.

I think the other important thing to note is that within the Department of Agriculture, many of the 141 agrologists who are employed are in other parts of the department; and if a specific request related to an area of expertise or was geographically closer to where one of those agrologists was, we would use the staff as appropriately as we were able to do so.

**Mr. Stewart:** — Okay. Thank you, Mr. Minister. We understand that 21 out of the 22 rural service centres that have recently been closed were subject to long-term leases, some of which will not be fulfilled until the year 2022. How much rent will be paid to satisfy these leases on facilities that will no longer be occupied by the department until the year 2022?

**Hon. Mr. Wartman:** — By '05, of the 22, we'll be down to seven ongoing leases. Now that again could be mitigated if SPMC finds other lessees. We have one which would go on as long as to twenty thousand twelve thirteen. And other than that, we're expecting that SPMC will be doing all it can to lease these buildings again and mitigate the costs there.

**Mr. Stewart:** — I take it from that answer, Mr. Minister, that you don't have a dollar figure on what will be expended on those leases.

**Hon. Mr. Wartman:** — If we were to maintain all of those offices, the amount that we would be paying out would be in the neighbourhood of \$574,246 this year, but some of those leases are expiring this year and so that number is reduced to about 436,000. And as I said earlier, it's very hard to determine really beyond that because of the potential for re-leasing those buildings.

**Mr. Stewart:** — Thank you, Mr. Minister. The agrologists left in the Moose Jaw knowledge centre and the other centres around the province, is it safe to say, and fair to say, Mr. Minister, that many of them will be functioning at a higher and more technical level than the agrologists did in the old rural service centres?

(21:45)

**Hon. Mr. Wartman:** — In the knowledge centre in Moose Jaw, the agrologists, as I indicated earlier, we do expect that they will be serving in a more specialized, highly specialized areas and will receive increased compensation because of that.

The lead agrologists in the business development centres would also receive increased compensation. The other agrologists in the business development centres would be . . . some of them would be doing similar work with development of certain areas — livestock development for example — and so would be receiving similar benefits to what they were in the old offices.

**Mr. Stewart:** — Thank you, Mr. Minister. Mr. Minister, considering that 120 people have been relieved of their responsibilities — shall we say? — 32 of them agrologists. What is it going to cost the department in severance packages for these 120 people?

**Hon. Mr. Wartman:** — Because of the processes that we're engaged in, bumping and re-looking at the broad picture of how many might be re-employed as well, we're . . . it's very, very difficult to determine at this point. It is our expectation that we will have a clear picture by the end of July when the bumping processes, etc., are completed.

**Mr. Stewart:** — Mr. Minister, was this operation of closing down 22 rural service centres and changing the structure somewhat, through the knowledge centre in Moose Jaw and the other centres, was that done as a cost-cutting measure?

**Hon. Mr. Wartman:** — Though it's clear that there will be savings, this is not primarily a budget-driven change. It is strategic change that we believe will better meet the needs of a 21st century agriculture industry. We were watching and noting, through surveys and just simply through reports back, about the type of information that people were seeking and the way that they were seeking that information.

Secondly I think it's also important to note that there are many private industry agrologists who are available out there. And there's always that question of a fine balance between competing with private industry from a government perspective. And so we had to be aware of that.

But primarily this is about strategic development, looking at how we can best provide those resources that people seem to be seeking as they're wanting to develop the agriculture industry. So we're moving more towards some specialized knowledge, specialized program, and away from the broad generalist where we see those services being provided by others.

**Mr. Stewart:** — Thank you, Mr. Minister. Just the same, Mr. Minister, with the severance packages that we don't even know how much that's going to cost yet . . . we know that we have outstanding rental agreements on the number of facilities that'll go on for several years yet. And we know that many of the remaining agrologists — 141 of them with the department — many of those will be functioning at a higher level and also paid at a higher rate.

How long, Mr. Minister, how many years do you project that it'll take to break-even cost wise on these changes?

**Hon. Mr. Wartman:** — I think it's clear that we will face some costs, one-time costs, as we move through these changes. But with the estimates that have been done by the department, it is anticipated that in an ongoing basis for operations we will be saving about \$2 million a year with the changes that we're making in structure and delivery of service.

**Mr. Stewart:** — Thank you, Mr. Minister. With regard to funding cuts to Prairie Diagnostic Services labs in Saskatoon and Regina, Mr. Minister, can you confirm that it's . . . The difference in funding in this fiscal year and since last fiscal year is about \$825,000 difference?

**Hon. Mr. Wartman:** — Two years ago, two fiscal years ago there was about 125,000 extra dollars provided to PDS (Prairie Diagnostic Services) for their . . . could be for capital or equipment and yet I think . . . and that's added in . . . I've seen some of the communications from the veterinarians and their



association. And they got that two fiscal years ago, but through their own management applied it last year.

But in terms of our budget lines, we were at 1.9, and we have reduced our funding to PDS in this fiscal year by \$700,000.

**Mr. Stewart:** — So I take it that there will still be approximately \$1.2 million. Thank you, Mr. Minister, for confirming that.

What other sources of funding are enjoyed by Prairie Diagnostic Services?

**Hon. Mr. Wartman:** — From the department, PDS, as you'd indicated earlier, it does receive 1.2 million in core funding. In terms of user fees, we provide for testing 500,000, and we also provide in kind over 400,000, and that would be rent and other in-kind services that we provide to PDS.

They also receive funding from the U of S (University of Saskatchewan), some of that user fees and a variety of other funding reasons U of S puts money in. But they also receive some private user fees. And one of the areas that we are asking the board to explore is if there is opportunity to recover more from those private user fees, particularly with regard to the companion animals.

**Mr. Stewart:** — Thank you, Mr. Minister. What are all of the functions that are performed by the PDS labs in this province?

(22:00)

**Hon. Mr. Wartman:** — Okay, the PDS provides diagnostic services, testing, blood work. They do bacteriology, virology, clinical path, parasitology, theriogenology, immunohistochemistry, and ELISA (enzyme-linked immunosorbent assay) testing.

And I'm informed by my officials that if the member or colleagues would like more detail about those testings and how they operate, we would be happy to provide that information. We could book an appointment, and even just how to say them, we'd help with that too. Thank you.

**Mr. Stewart:** — As a cattle producer, Mr. Minister, I've enjoyed the benefits of watching some of those tests be performed. Not a pretty sight always, but very useful and helpful to the industry.

Mr. Minister, which, if any, of the services provided by PDS are dispensable these days with numerous diseases and many diseases that are transferable from animals to humans? It seems that it's inevitable that with the cutback in funding there will be a corresponding cutback in services. And I just wonder which services we can do without.

**Hon. Mr. Wartman:** — What we are asking the board to do really is certainly not to stop any of the testing they are doing because we recognise how vitally important it is. We've had meetings with the veterinary association. We know how, as front-line people, how vitally important that they have a place where they can do the testing. We need to make sure that they are there so we have timely responses to any potential diseases

that might be coming.

So just to be very clear, we do not want to see a reduction in testing, testing services. What we're asking the board to do, is to go through and take a look at the cost recovery that they have been practising. Can that be done better? We know that in other labs across the country they do a significantly greater percentage of cost recovery from clients.

But we want to make sure that we're providing all of the services that are there. We're asking the board to look for efficiencies. They have not, to the best of my understanding . . . and I'm informed by the officials they have not gone through and done those, really checking out if there can be greater efficiencies developed there.

So that's what we're asking the board to look through this to see. Can they make gains in cost recovery, and can they find efficiencies? And we do still expect them to do the necessary testing to make sure that . . . I mean, primary to us, we want to make sure that we have food safety. And we want to make sure that there are no diseases running through our animals, or particularly those diseases that are transferable. So they do provide the front-line services. We want them there. We want them providing the testing.

**Mr. Stewart:** — Thank you, Mr. Minister. I understand from some veterinarians that I have spoken with that there is a strong possibility that, as a result of these cutbacks, that the Regina lab may be closed altogether. Now, Mr. Minister, what services are currently provided in the Regina lab at this time that are not provided in Saskatoon?

**Hon. Mr. Wartman:** — They do basically the same testing, although there are some more specialized tests that are done at the Saskatoon facility. But I think it's important to note that at this point in the work that the board is doing, we have no indication that the Regina facility will close. It's our expectation that within the search that they're doing for efficiencies that we'll be able to maintain the facilities and make sure that the testing is done.

**Mr. Stewart:** — Thank you, Mr. Minister. Mr. Minister, will you confirm that the Regina lab will not close?

**Hon. Mr. Wartman:** — I think it would be inappropriate for me to say at this point that it absolutely could not be closed, and recognizing as well that the government is not the sole owner, that it is owned jointly with the University of Saskatchewan. And so we are looking for the board, in their review process, to bring us clear recommendations and provide the best, clearest information they can in terms of what the options are. So at this point I couldn't guarantee that, but we are . . . as I indicated earlier, it is our hope and desire that the both facilities will remain open and that we will certainly make sure that the testing is done at levels that are necessary.

**Mr. Stewart:** — Mr. Minister, in light of remarks that you've made previously wherein you spoke of the necessity to expand our livestock industry in the province, doesn't it seem alarmingly inconsistent to you at the same time to remove funding from diagnostic laboratories that form such an indispensable part of the infrastructure that is required to

support the livestock industry as it exists, much less the requirements of an expanding livestock industry?

**Hon. Mr. Wartman:** — As I indicated earlier, we do not want to see any reduction in the testing. We want to make sure that we are providing services for those front-line veterinarians who are out there. They are the ones who provide the samples for diagnosis.

What we have asked is, recognizing that there is significant out-of-province testing that is being done, recognizing that there is significant companion animal testing that is being done, we are asking the board to look at ways that they can increase the cost recovery from particularly those areas.

We are of course clear that in expanding the beef industry in the province that there needs to be ongoing testing. But we also recognize that we are not alone in this process, that the CFIA (Canadian Food Inspection Agency) also does testing for certain diseases. And it is really incumbent on them to make sure that in terms of our growing livestock sector, that those diseases that they're responsible for, they will be making sure that that level of testing is going on as well.

So clearly, we don't want to see our services reduced. We want to be there for the front-line people who are the veterinarians. And what we're asking is particular areas of exploration in terms of cost recovery and efficiency from the PDS.

**Mr. Stewart:** — Thank you, Mr. Minister. Moving on to another line of questioning, Mr. Minister, I'd like to know more about the funding arrangements for the Prairie Agricultural Machinery Institute, PAMI. How is that funded? I believe that other provinces or at least the province of Manitoba is involved as well. Could the minister explain that, please?

**Hon. Mr. Wartman:** — PAMI is jointly funded by Manitoba and Saskatchewan. We do provide a larger portion of the funding, but it is jointly funded by the two provinces.

**Mr. Stewart:** — Thank you, Mr. Minister. How much funding is provided by the Saskatchewan government at this time?

**Hon. Mr. Wartman:** — This year, the Saskatchewan government is providing \$600,000 for PAMI.

**Mr. Stewart:** — And the last fiscal year, Mr. Minister?

**Hon. Mr. Wartman:** — Core funding last year was 600,000 as well. There was a top-up that amounted to 168,000 last year, and it's not anticipated that that would be repeated this year. So core funding is the same last year as it is this year.

**Mr. Stewart:** — Thank you, Mr. Minister. Is the minister aware how much funding that the Manitoba government will put in to the PAMI project this year?

**Hon. Mr. Wartman:** — It is approximately 250,000. If the member would like an exact figure, we can get that, but it is approximately 250,000. I just want to also note that PAMI can bid on and take contracts and that also provides funding for them.

**Mr. Stewart:** — Thank you, Mr. Minister. I think that's all I have at this time. I would like to hand you off to my colleague from Last Mountain-Touchwood.

**The Deputy Chair:** — I recognize the member from Last Mountain-Touchwood.

**Mr. Hart:** — Thank you, Mr. Chair. Minister, I believe I heard you in the media today state today that the provincial portion of the 2003 CAIS (Canadian Agricultural Income Stabilization) entitlements will be somewhere in the neighbourhood of \$229 million, meaning that your department and your government is underfunded by \$130 million. Did I hear correctly? Are those the most current estimates of the provincial share of the CAIS program for 2003?

**Hon. Mr. Wartman:** — Those are the correct numbers for '02-03. The estimates are coming in. We won't know the exact numbers until into the fall, but the numbers that are coming in at this point would give us an understanding that it will be around that 229, 230 million. And we have, as I have indicated previously, provided through our budget \$99 million. And in the longer period there, we have committed to 100 million a year over an average of 100 million a year over the five years.

**Mr. Hart:** — There was a recent article in *The Western Producer* that indicated only about 25 per cent of Saskatchewan producers have signed up for the program, but that figure was based on April 22 numbers. I wonder would you have more current numbers as to what percentage of producers have actually signed up under the CAIS program.

(23:15)

**Hon. Mr. Wartman:** — We have over 28; 28,000 have signed up currently according to our last statistics.

**Mr. Hart:** — So, Minister, that would bring us up to what? About 30, 35 per cent of . . . or it would be higher than that, I presume. It would be up. We'd be up over 50 per cent of producers, would we? What percentage of producers would that represent?

Because I know farm operations will have a number of producers within that farm operation, and they may sign up as individuals, or they may, the whole farm family corporation may sign up as one application. So we often hear the number of 50,000 farmers in this province when in fact there probably isn't 50,000 commercial operations in this province.

So I would like to get a sense of the number of what percentage that would be of the total commercial operations.

**Hon. Mr. Wartman:** — It's difficult to know in terms of the total number of potential applications. One of the realities is that, since you're dealing with the year back, that producers have a pretty good idea of whether or not they'll be eligible. But at this point, with almost 29,000, I believe there were something like 57,000 options that went out.

But with 28,000 applications in and the kind of longer term understanding that there tends to be a bubble at the end of the program, we anticipate fairly good response. At this point, we'd

be roughly at that estimated 60 per cent of the options that were sent in.

**Mr. Hart:** — So in fact that \$229 million provincial responsibility could in fact be higher if we get a larger number of producers signing up later on.

But even if we don't and if that number stays in that \$230 million, we're still looking at a shortfall of \$130 million, which is significant dollars. It's my understanding that the 12 per cent that your government didn't pony up for the 2002 CFIP (Canadian Farm Income Program) program represented about \$25 million. Now we're looking at \$130 million at least and possibly more.

That's a huge shortfall in this program. And your government negotiated and dealt with the federal government, and farm producers in this province and across this country were told that this is the program that they should . . . that it's bankable and all those sorts of things. With that type of a shortfall, I think the farmers of this province were misled.

If your government didn't have the intention, certainly I'm sure you could have come a lot closer at budget time to the real numbers as compared to the number of dollars you're coming into. And when this budget was presented, I'm sure you realized that you were going to be significantly short of dollars because we are talking for 2003 after the fact the farm income figures were, if not known, we had a pretty good handle on it.

And I would suggest to you, Minister, that your government look seriously at the option that the federal government has put forward in providing some assistance in helping the province through this rough spot with this program because if it's \$130 million that this program is short, that's going to leave an awful sour taste in the mouths of a lot of producers. And we're going to see producers exiting this program and we're going to have some serious problems down the road. And I think this is a problem — a serious problem and an immediate problem — that you and your government need to address and to fix.

I would like your response, Minister.

**Hon. Mr. Wartman:** — Thank you. I appreciate the perspective that the member is bringing forward. Now what is important to remember is that the \$229 million is an estimate. It could be greater. It could be lower. It's the federal government's estimate at this point.

And with regard to the CAIS program itself and to APF (agricultural policy framework) which we did sign onto and I believe is . . . from every indication our analysis says this is a good, solid program. But as the member indicates — and as we agree — the ability to fund that fully is very, very challenging with the fact that it's based on a 60/40 split, where the federal government pays 60, we pay 40. And the reality that we have roughly a million people and a huge agriculture sector means that on a per capita base, we're paying far more than any other province to buy into this program.

In the analysis for CAIS itself, we're five times over the provincial per capita average. And so we have been in negotiation with the federal government. I spoke to the federal

minister last Friday, and he indicated — I saw in an interview — that he didn't think the program that we were suggesting, the agricultural policy framework equity program, was in the cards.

But when we sat down and actually talked about what the potential was there, it has been agreed that our officials will discuss this further because we want to provide as full a funding as possible for the producers in this province. But we have to recognize that there has to be some equity across the nation as well. And to expect that we would be paying five times more than the provincial per capita average from this province is really to place, I think, put that program in jeopardy for not just here but across the board.

And we're hearing from other provinces as well concerns about the affordability of the program at a 60/40 base. And you indicate or the member indicates that we might want to consider what the federal government was talking about in terms of kind of a forward averaging. But if you look at the numbers that they're providing and what we have to deal with in this program, you forward average, and you get a couple of bad years in a row and you're so far behind that your provincial budget would not allow you to opt in to the program three or four years down the road because you're trying to pay off the last few years.

And so, it really becomes quite unmanageable, given the numbers that we're dealing with. And I think that there would be a significant blow back from the taxpayers of Saskatchewan were we to be providing funding at that level here — five or six times more, greater than what the provincial per capita average would be.

So with that in mind, we've gone to the federal government. We've explained the situation. We've recognized with them that we think the program is right, but it needs the right kind of equitable funding across the nation. And so that's what we're pressing for. Whether we'll get there or not, we don't know. But we're pressing for that because we want to make sure that there's equity built into this program as well.

**Mr. Hart:** — Minister, you used the term that we're funding the CAIS program at five times the provincial average. And when we start talking about averages and per capita expenditures and so on, in my opinion they certainly don't present an accurate picture.

I mean, if we talk about five times the provincial funding of Newfoundland . . . I mean, we have 47 per cent of the arable acres in this province. Agriculture is one of the pillars of our economy, and it is to be expected that we should support that industry at a much higher level than what Newfoundland does. If we would compare our expenditures in fisheries as compared to Newfoundland and Nova Scotia, you would see that same sort of distortion. So I think it's highly unfair to the people of this province for us to talk in those terms.

And I've heard you talk about, in the past, using the figure of \$500 per capita support to agriculture in this province. Well I did a little research on that, and I think I know where you came up with those figures. The provincial budget this year is some \$264 million. If you take the budget document and add up the tax exemptions to agriculture, that's where you get your \$500

million. And you're nodding your head, so I'm assuming that's correct.

Well that, I mean that's being . . . distorting the picture. So then we should say that we're subsidizing the people of this province by \$111 million by not collecting the tax on groceries. And we could keep adding up all the other things. I mean if you want to play those sorts of games, I don't think you're being . . . you're presenting a fair and accurate picture of your support, of your government's support to this industry.

So having said that, let's deal with the facts here. The facts are that we have a large agricultural industry. Your government negotiated this APF program of which CAIS is the business risk management. The farmers of this province were told that this is the program, that it's going to look after those dips in the future. And now they're finding that on the provincial basis you're only going to fund about 43, 44 per cent of the provincial entitlements, Minister.

And I have to agree with you that the 60/40 split is probably not a good fit for our province, and we need to deal with that. But I think we've got an immediate situation, an urgent situation for 2003 that we need to deal with. If the federal government is willing to make some cash advances, I think we should explore those possibilities and then deal with them to readjust the funding formula or do whatever we can to access those dollars because if we don't, we're going to see this program . . . farmers are going to exit the program. They'll take their money the first year, and they'll do whatever they can to get out of it because it'll be the same scenario that, you know, it's maybe good for the first year or whatever, and then what's going to happen down the road?

And the other thing is, farm organizations were warning both your government and the federal government that you can't address the BSE (bovine spongiform encephalopathy) situation through the CAIS program. The Agricultural Producers Association among other farm groups said those catastrophic events like mad cow — the BSE situation — need to be dealt with outside the program because you're going to bankrupt this program. Well, Minister, within one year their predictions are coming true, and we need to address this. And I would urge you and your government to do what you can to address this urgent situation, Minister.

And so I would . . . and also as I said earlier, I would suggest that when you're talking about agricultural expenditures, use the real figures. Let's not play games with the people of this province because we can pull out the tax exempt figures, and we can say that we're subsidizing families living wherever in this province to a tune of \$200 per capita because we're taking money . . . taking false numbers out of the budget, Minister.

So I would again impress upon you that we need to address this situation and see if there is a way we can work to come up with the provincial share of that funding.

**Hon. Mr. Wartman:** — I would like to make a couple of comments in response.

And the first one is that we're not playing games with the numbers. Clearly, when we do the analysis, we're trying to see

across the country how farm support programs are analyzed. And when we brought those numbers forward, we have been very, very clear with both members opposite and with the public and with the producers, where those numbers are drawn from. And we want people to understand clearly where the tax dollars are being applied. And from our perspective, they are applied . . . where exemptions are made, those numbers are brought forward as well, but we are not hiding anything in that. We are being very clear about where those numbers come from.

We want to keep in mind an overall picture how much we're putting into agricultural production in this province, and we want to portray that clearly and without anything hidden, to the federal government as well, when we're trying to help them understand what the cost implications of these programs are for the people of Saskatchewan.

I think it's also important to remember that when we're talking about the kind of average, per capita averages across the provinces, we look at the province that is probably next to us in terms of challenge on an agriculture sector to population base. That would be Prince Edward Island. And if Prince Edward Island ran into a real difficulty with their potato industry for example, they could be up over two, three times what the provincial per capita average is.

So in the program that we have suggested, we're not saying . . . we're recognizing that we have this large agriculture sector in Saskatchewan. What we want to do is make sure that it's fair. And so what we have said is . . . we're not saying, you know, put us at the provincial per capita average because we know we've got a large sector. What we're saying is cap it at three times the provincial per capita average.

That is something that is manageable for the people of this province. It recognizes that we do have a large agriculture sector but tries to find that fair balance in the program that makes the program workable and affordable from our treasury as well and enables us then to continue to support those other programs which are vital for Saskatchewan — the health, the education, those things which also provide supports to rural Saskatchewan.

(22:30)

So I think it's important to be clear that we're in negotiation with them. If in the end it comes down to some shape of forward averaging, as the federal government is suggesting, we want to make sure our producers get the best return they can. Today we're saying we have to pro-rate, given the circumstances in our communications with the producers in this province.

We have said we can fund about 25 percent of our 40 percent on an initial payment. That means that what is bankable for the producers in this province who are looking at the CAIS program and are in the CAIS program, what is bankable for them is about 70 percent at this point. Beyond that, because it's still estimates from the federal government, we cannot commit. We really would be irresponsible to commit beyond that. So we're in negotiation; we're trying to get the best deal for our province and our producers in a program that we think can work if the affordability side of it is addressed.

So I thank the member for bringing that forward, and we'll continue to be in discussion with members opposite as we try and get this program working for all the producers in the province.

**Mr. Hart:** — Minister, upon reflection of the numbers — particularly the 230 million, let's round it off — I really think that that number is going to be higher when all the option notices are received and all the calculations are done. I was made aware some time ago that there are a number of farm operations who hadn't received their package of informations as far as their coverage levels and their reference margins until very recently, and those would be farm corporations that have a non-calendar year-end and who have incorporated within the last, I believe it was, five years. There was problems in generating those numbers, and they all had to be calculated manually.

And I know of producers who have just received their option notices within the last two weeks. And, you know, if these are the incorporated farms, if they're in a claim position, they could be in a fairly substantial claim position.

So I think if anything, I think the \$229 million is on the low side. We're going to see that. I predict we're going to see that number approach probably 250 million. And we're talking significant dollars to this economy of this province. And we need to figure out a way of dealing with that challenge. I realize it's a challenge, and we need to figure out a way of dealing with that challenge because it's going to have . . . if we don't, it's going to have long-term negative effects, and we will be paying that price down the road. And I would urge you and your government to look at every possibility that exists to try and meet that challenge.

**Hon. Mr. Wartman:** — To quote a member just two desks down from me, I agree. I think that we need to do absolutely everything we can to try and make sure that this is the best, most affordable program that there can be. So I thank that member for those concerns. We will work it out.

**The Deputy Chair:** — I recognize the member from Thunder Creek.

**Mr. Stewart:** — Thank you, Mr. Deputy Chair. I think the Government House Leader is about to put a stop to this for the evening. So I would like to take this opportunity to thank the department officials. They've been very helpful as always, and we do appreciate their efforts and the minister as well.

**Hon. Mr. Wartman:** — I too would like to thank my officials, and I would like to report progress.

**The Deputy Chair:** — It has been moved by the Minister of Agriculture that this committee rise, report progress, and ask for leave to sit again. Is it agreed?

**Some Hon. Members:** — Agreed.

**The Deputy Chair:** — Carried.

**The Deputy Speaker:** — I recognize the Deputy Chair of committees.

**Mr. Iwanchuk:** — Mr. Speaker, I'm instructed by the committee to report progress and ask for leave to sit again.

**The Deputy Speaker:** — When shall the committee sit again? I recognize the Government House Leader.

**Hon. Mr. Van Mulligen:** — Next sitting, Mr. Speaker.

**The Deputy Speaker:** — Next sitting. It now being past 10:30 p.m. this House stands adjourned until 1:30 p.m. tomorrow. Have a pleasant evening.

The Assembly adjourned at 22:35.



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