



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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Saskatchewan Rivers

[The committee met at 10:00.]

Bill No. 2 — The Enterprise Saskatchewan Act

Clause 1

The Chair: — I'd like to call the committee to order. Our order of business, first order of business this morning is consideration of Bill No. 2, The Enterprise Saskatchewan Act. And once again I'd ask the minister if he would introduce his official and if he has any opening remarks to proceed.

Hon. Mr. Stewart: — Thank you, Mr. Chair. No, I'll dispense with opening remarks and leave the full time for the members to ask questions. I'll just introduce my deputy and the CEO [chief executive officer] of Enterprise Saskatchewan, Mr. Dale Botting. I'm sure all committee members are familiar with Mr. Botting by now. And we can proceed straight to questions as far as I'm concerned, Mr. Chair.

The Chair: — Thank you.

Mr. Quennell: — Thank you, Mr. Chair. Good morning, Minister, and Mr. Botting. I wanted to go to the composition of the board, but first of all maybe a brief discussion of the industry groups that were selected and the industry groups that were left off. And I guess I see a little bit of contrast, which the minister may want to comment on, between the sector teams and the makeup on the board. And if I can introduce that by just going through the sector teams which are set out in the purpose of the agency in section 4, and there's about 15 of them.

And agriculture's clearly one, and there's a member of the board of the agency of Enterprise Saskatchewan representing agriculture. And advanced education, research, and development is another, and there's a member of the board representing post-secondary educational institutions. But some aren't represented. Tourism, for example, is not represented on the board although it's considered to be important enough to have a sector team. Life sciences themselves, some of the most innovative commercial work being done and research work being done, is not specifically represented on the board of Enterprise Saskatchewan.

I believe the board member, who I'm sure did well on the point rating system, as we discussed, but is not from the university sector — the one representing the post-secondary group — so that sort of research park component isn't really represented on the Enterprise Saskatchewan board, although recognized to be important enough for a sector team. There's proposed to be a sector team for the environment, again not represented on the board; and manufacturing, interesting enough.

The board has represented some labour from the resource industries, which I assume sort of cover off energy production and forestry and mining. But given our discussion about the importance of not losing our manufacturing sector while we're dealing with now perhaps refuelling of inflation by high oil prices as was suggested on the radio this morning — I appreciate we shouldn't be making policy based on the morning radio reports — but at \$120 a barrel the spectre of inflation is being raised in the United States and we're not immune from

that.

But again, the non-resource sector of the economy, although there is a sort of a bow in its direction in establishing the sector teams, is not represented amongst the organizations on the Enterprise board. And I appreciate size was a factor here. I understand the group dynamics when you start getting over a dozen people. But I wonder if the minister or Mr. Botting could comment on some of the choices that have been made here.

Hon. Mr. Stewart: — Certainly, and thank you for the question. Size did matter, I guess, in choosing the committee, the Enterprise board. We did want to keep it manageable. So we just, we chose the sectors of the economy that we thought that were more overarching. For instance, Mr. Semple, the Deputy Chair of the board and the member for the business category, is also a manufacturer.

We have several categories like that where there is overlap. But apart from that, apart from the fact that we wanted to keep the main board to a manageable size, the two complement each other. The sector teams are meant to complement the board and certainly the construction and manufacturing sectors and so on. The board will take advice from the sector teams on those issues and certainly that is the way it was intentionally set up. We knew that we couldn't cover every business line with a member of the board so intentionally the sector teams are designed and set up to fill in some of those gaps.

Mr. Quennell: — I'm trying to avoid estimates for Enterprise and Innovation leading into the discussion of the Bill and the Bill leading into the discussion of estimates for Enterprise and Innovation, but I hope the minister appreciates that isn't always possible. There's such an overlap.

And the sector teams are listed in the legislation so the government has made a decision to, at least to have a list of 14 to which they are committed, and I appreciate you can add others in subsection (xv).

But the choices are a little interesting, and we discussed what might be the strategic or the . . . I'm sorry. I'm getting strategic issues councils and sector teams confused. You'll forgive me. What would be the sector team for mining might just be the mining association because that's already sort of brought together all the players within that group.

Some of the other ones who might make them up are a little bit more difficult to ascertain. We discussed agriculture, but maybe if we can go through the list and get the views of the minister as to who might be comprising the sector teams.

First of all, energy production is . . . That's more than just oil, I assume. It's oil; it's gas; it's uranium. So how is that going to be put together?

Hon. Mr. Stewart: — Well we'll expect to have input from the Canadian Association of Petroleum Producers and the Small Explorers and Producers Association and as well as the uranium industry will certainly be involved in that sector team.

Mr. Quennell: — And there is what, two major players there in

Saskatchewan?

Hon. Mr. Stewart: — Yes.

Mr. Quennell: — And agriculture we did discuss briefly, but if you just want to recap, Minister, how you see that being put together.

Hon. Mr. Stewart: — I think we'll go to the . . . To some extent, we'll go to the existing ag groups and take some expertise from them, and there may be one or two at-large agricultural producers that will be chosen as well from outside the organizations themselves. That will be a more general one. I don't think . . . We don't have clear-cut organizations like we do in the energy production sector where we can just go to them, I don't think, and cover that sector.

Mr. Quennell: — And there are . . . I was going to call specific interest groups, but specific subindustries, if I might say. I mean, there is livestock, and within livestock there is divisions and a growing organic food industry. And would there be some recognition that they should be at that table?

Hon. Mr. Stewart: — No decision has been made on that specific item, but I think it's a good point. If we can manage it and still keep this committee within a reasonable size, I think that's something that should be considered, yes.

Mr. Quennell: — Now the next one, tourism, is interesting because we have a ministry and we have an authority. And now we're going to have a sector team under Enterprise Saskatchewan, and so that's not just duplication, that's triplication, I think.

Is it — and I'll ask a provocative question to which I assume the answer is no — but is it the intention of the government or perhaps foreseeable by the government that Regional Economic and Co-operative Development ended up going into Enterprise and Innovation, that Tourism may as well end up in Enterprise Saskatchewan as opposed to being a separate ministry?

Hon. Mr. Stewart: — No, there's no intention of going that way at this point. I don't expect that will happen.

Mr. Quennell: — And why would we have a sector team and a ministry as well?

Hon. Mr. Stewart: — Well it is one of the major drivers of our economy, and so it was deemed that Enterprise Saskatchewan should deal with it, and I think appropriately so. It's a major and growing economic driver in the province, and certainly the people we choose for that team will be chosen in consultation with the ministry and with Tourism Saskatchewan. And I think that it's a set-up that should work quite well.

Mr. Quennell: — Well it will be interesting to see how it unfolds, Minister, and I expect both of us may be here for a while to watch it unfold. But it does seem offhand to me to be a little bit more reminiscent of the American system, where you often get different cabinet ministers, bureaucracies at war with each other, you know. Now instead of having one government policy as we are used to under our system, we have a defence policy and we have a state policy, and they are in conflict.

And you have under your portfolio here in this agency, energy policy-making, tourism policy-making, well as we discussed the other day, tax policy-making. Are we going to have contrary recommendations coming from ministries and then from Enterprise Saskatchewan? I guess, where do those discussions get resolved? At the cabinet table?

Hon. Mr. Stewart: — Yes. Any discussions whether contrary or not will go to cabinet for resolution and the recommendations of Enterprise Saskatchewan, many of them which will start out as proposals by the sector teams that are put before the Enterprise board, will find their way to cabinet, if they're approved by the board, and that is where the final approval will come or not. And I don't foresee large numbers of contradictions between Enterprise Saskatchewan and the ministries, but in the probably rare occasions that that may happen, cabinet will decide.

Mr. Quennell: — I assume Energy and Resources is going to maintain a policy strength. Does Tourism, and I'm sorry, there's been some reorganization of departments here. What is the name of that department or ministry?

Mr. Botting: — Tourism, Parks, Culture and Recreation, and Sport. I'm sorry.

Mr. Quennell: — No recreation, just sport. Okay.

Mr. Botting: — Okay, well I better get that correct.

Mr. Quennell: — I'm glad the minister has the same difficulty I do. Is there, and he may not know the answer to this question either, but is there any kind of policy bench strength left at that department or Ministry of Tourism, Parks, Culture, Recreation and Sport? No recreation, just sport.

Hon. Mr. Stewart: — Certainly I believe so, yes.

Mr. Quennell: — Forestry. That's quite a range as well from logging, agroforestry, if we have a pulp industry going into the future. And again I guess, how do you see the makeup of that group and the different interests that need to be reflected there?

Hon. Mr. Stewart: — Well certainly the primary producers, the loggers, will have to be represented. Those involved in the processing, further processing, whether it be pulp, lumber making and potentially, potentially some players from further down the or further up the chain, you know, perhaps even small . . . And I'm just throwing this out as a possibility because it seems, it seems like it's something that we should consider: perhaps some people from further up the value chain that may make, for instance, rafters in the North out of our own forest products, or furniture, there may be opportunities for them. There may be those of them who have a direct enough connection with the forestry industry that they may be involved.

Mr. Quennell: — This may be, and again I appreciate that sometimes estimate questions kind of flow into this, but a good time for the minister to give his thoughts about the future of forestry in Saskatchewan. And I appreciate it's not the minister's primary responsibility because it belongs under Energy and Resources, but the way that this agency is designed and these sector teams are designed, the minister perhaps has a

wider scope than an Industry minister might.

We have a commodities economy in Saskatchewan where we have very high prices, even in agriculture, but certainly in potash and again the morning news was very encouraging. Oil and gas, I guess that's sort of a mixed bag depending on where you come from, but if you come from Saskatchewan, again very encouraging. Forestry's not in that group and it appears that at least some of the attention that's given to the future of that industry is going to come under your portfolio, Minister. I'd be interested in your thoughts about the near future and the medium future for the forestry industry in the province.

Hon. Mr. Stewart: — I appreciate that question. It's indisputable that forestry is in a period of some difficulty right now. The high dollar, I think, still fallout from the trade disputes that we've seen between Canada and United States in that industry, the closure of some plants that have resulted from those things, and primarily their recession that I think we can call it that now officially, the recession in the United States that has curtailed the use of building products to a substantial extent — those things are weighing heavily on the industry at this time. But those are circumstances that will change, and none of us know when, but certainly I would expect this cycle of recession in the United States to be a temporary thing.

And we expect that when this industry turns around that our forest, which is basically pine beetle free, and one of the few in Canada that is, will be a very valuable commodity, and our industry will be a strong contributor to the province's growth again. And I expect that Saskatchewan will be seen, when that turnaround comes, as one of the best locations to invest in the industry.

And so I think long term, and even medium term, the future is quite bright for the industry. Short term, certainly, we have some obstacles to overcome and a storm to weather but we're very optimistic in the longer term.

Mr. Quennell: — So as far as short-term relief is concerned, the government doesn't have anything in mind?

Hon. Mr. Stewart: — Not through Enterprise and Innovation. And you know, as you've said, the Energy minister is the Minister Responsible for Forestry, so he would drill down more deeply into that sort of issue.

We're not an agency that really deals with temporary assistance measures so much as more long-term economic development policy. But certainly there are some community development trust dollars available for the industry and that our ministry is involved in disseminating those. And they will primarily go to communities affected by plant closures in the forestry industry.

Mr. Quennell: — All right. Think the pine beetle is going to stop at the Saskatchewan border?

Hon. Mr. Stewart: — Well so far our climate has been a great help with that, but it's my understanding through the Minister of Environment and the Minister of Energy and Resources that this situation is being monitored and very carefully additional resources have been put into that so that we can continue to be generally pine beetle free in this province.

Mr. Quennell: — Because climate was, as I understand it — and I don't wear a lab coat any more often than the minister does — but the climate was what was limiting the spread of the beetle at one point in time, and it doesn't seem to be limiting the spread of the beetle to the extent that it was. And that's why British Columbia is seeing the problems in areas that they've never seen them, and I thought advancing into Alberta. And that's why I asked the question.

Hon. Mr. Stewart: — Yes. I believe that's correct. Certainly pine beetles are becoming a serious problem in areas where they haven't before. So I still believe that our climate, being somewhat harsher than even northern Alberta, is helping us in that regard. But just the same, we're monitoring the situation very closely.

Mr. Quennell: — Well when the recession ends — and recessions always do — and if the winters stay cold, then we'll be okay.

Hon. Mr. Stewart: — Well when the recession ends and if the winters stay cold and/or we can find other means to combat pine beetles, we'll be fine. We'll be better than okay. I think we'll be in a very good position.

Mr. Quennell: — The next sector team is advanced education, research and development. And the one after that is life sciences, synchrotron science, and information technology. And there seemed to be, when the legislation was being drafted and the sector teams were being created, an appreciation of the importance of the work that's done at both the universities and in the research parks and agencies associated at the universities — VIDO [Vaccine and Infectious Disease Organization] and SRC [Saskatchewan Research Council] and so on.

But when we came to the makeup of the board, the definition of the board member is much broader — post-secondary education. And that, sir, I think reflected in the appointment so that someone from the new technology industries — vice president of research, for example, from one of the universities — is not on the board. And again in reflecting back to our previous discussion about the new economy and not counting on oil to run us for a generation or two, because it may not do that, it does seem to downplay — outside of the sector team mentioned here — downplay the importance of innovation which is half the name of the ministry as it currently is structured.

Hon. Mr. Stewart: — Well as I said in an answer to a previous question, the sector teams are really designed to complement the board. The board are more generals, are people who can work across sectors of the economy, who have demonstrated that ability in the past. And that ranked high in the scoring criteria under which we chose those board members. But certainly the sector teams are the specialists, and they are the people who will generate the ideas in their sectors and present them to the board. And we believe the board is well equipped to evaluate those suggestions and ideas and to discuss them further at that time.

Mr. Quennell: — And of course, and I'll come to this later, but the term appointments are what I would consider to be rather short — two years — so the current members may be changed

significantly over a two-year time period.

Environment, and I guess this is a . . . I'll start off with a provocative question that I didn't ask when we were talking about barriers to growth, but does government see any current environmental regulations in the province as a barrier of growth that Enterprise Saskatchewan may be addressing?

Hon. Mr. Stewart: — I don't myself. I haven't heard of any suggested. These things may come up from time to time, but certainly there's no agenda here or no preconceived ideas about that.

Mr. Quennell: — Now the environment, that's I think even more difficult than the other ones we discussed as far to figure who should be at the table and who shouldn't be at the table. What is the current thinking about how you're going to make up that sector team?

Hon. Mr. Stewart: — Mr. Botting helped me out again as he often does. This team will be chosen partly from the clean energy sector, clean coal and so on. There's an organization, Saskatchewan Environmental Managers Association; certainly they will be consulted for membership to the board, and so on. Certainly the environmental movement will be represented in some fashion, but particularly companies in the province who are working in the environmental industry will certainly be . . . the Ozonator comes to mind, certainly, as a very innovative device to deal with medical waste that's been developed in this province. And it is being accepted around North America at least, if not abroad. And that comes to mind as an example of an environmental company that I would certainly think should merit consideration.

Mr. Quennell: — The minister mentioned a clean coal organization?

Hon. Mr. Stewart: — Potentially. Clean energy, I think we can make a strong case for inviting some individual from that type of industry onto the sector team.

Mr. Quennell: — I guess that's kind of where expertise and lobby group kind of merge together, which is an ongoing, I think, issue with this organization and something that everybody needs to be aware about as we proceed. The people that are there are able to advocate for their part of the industry. And the people who aren't there — maybe because their part of the industry is just coming into existence — aren't there to advocate for their part of the industry.

And so when you're making decisions about energy, you'd arrange your decisions and you'd decide well, we're going to have a clean coal advocate on a sector team and not have a representative of the wind industry and maybe because there isn't anybody in manufacturing except the towers being built at Hitachi or that were built at Hitachi. That can slant the kind of recommendations you get from the sector team — the decision about who to put on it — and weigh against innovation because it's people who are currently involved in an industry.

And I just use environment as an example, but I think that's an example where the industry's changing. It has a lot of different facets. It's a little bit different than some of the others, and the

choices about who goes there can kind of reflect who gets attention because of who can draw attention, if you, if the minister understands where I'm coming from.

Hon. Mr. Stewart: — I do understand what you're saying, Mr. Quennell, and I think that's a valid point. It's something that we will have to watch for and guard against. We need to have balance on these sector teams, and the Saskatchewan Environmental Managers Association, I think, will be a great help in that regard, as well as probably some experts from the Ministry of the Environment that will try to, I think, keep us balanced and give us good advice, in that regard. But it's a good, it's a fair point.

Mr. Quennell: — I guess that leads me to a question about legislative scrutiny as far as the sector teams are concerned. We appreciate how the board was appointed and how it will be appointed, and how would we see public discussion about who is on the sector teams, and particularly what industry groups are represented and what industry groups are not represented? And the minister may say that he's going to announce who is on these teams as they are put together, but is there going to be an opportunity for this kind of discussion given the structure of what Enterprise Saskatchewan will be in the future?

Hon. Mr. Stewart: — Well we don't foresee providing opportunities for hearings or anything of that nature, but certainly our choices will be made public in due course, and they will be open to scrutiny certainly by the public and of course in the legislature. And so I think that the process is open in that regard, and I'll be more than happy to put myself in a position to be able to justify any of the choices that are made. And that's the reason or one of the reasons that we're taking our time with it. We want to be thoughtful about it, and make sure that the choices we make are justifiable, frankly.

Mr. Quennell: — Within the construction sector team, there's different players within the construction industry and there's home construction and there's road building and there's, you know, everything in between. Again I think maybe like some of the others, a little hard to put your finger on, on who exactly should be there.

Hon. Mr. Stewart: — Yes I guess, although we'll try to involve at least the main sectors and as many, as many as sectors of the construction industry as possible. There's a road builders association that we can consult with, a home builders association, the Saskatchewan Construction Association. Certainly there will be no shortage of advice. And we will, we will take advantage of that and try and get as representative a cross-section of members from the construction industry as we can.

Mr. Quennell: — I expect the province's engineers are going to want to show up somewhere.

Hon. Mr. Stewart: — Yes, I would certainly think that the organization . . . I'm trying to think of the acronym now that represents . . . APEGS [Association of Professional Engineers and Geoscientists of Saskatchewan] will be interested in being involved as well.

Mr. Quennell: — Trucking and transportation. Other than

trucking, how do you see the transportation industry here?

Hon. Mr. Stewart: — Potentially short-line rail could be involved, but generally I think the transportation issue or transportation industry in this province is trucking. Perhaps major rail should be involved if they have any interest. You know, we have issues that surface from time to time, like the relocation of the Regina rail yards, things of that nature that do involve the major railroads, that where the province has an actual impact on their activities. So there's potential for trucking, short-line rail and major rail, I believe, and air services. And certainly we're going to be interested as a province in obtaining better flight connections to and from our major centres, as I'm sure the previous government was as well. And so that could also be a very important sector.

Mr. Quennell: — Your answer reminded me a little bit of the expression, you got a hammer; everything is a nail. And again to go back to some of the previous discussion, the decision of where do you put short-rail advocates on the sector team or not, I think really might influence whether you get any recommendations or advice on the topic because if you're a trucker it may not be something that concerns you very much. And again, so the makeup of the sector team, I think in some ways it doesn't preordain the kind of advice you're going to get, but maybe it does very largely shape the topics on which you're going to get advice.

Hon. Mr. Stewart: — Clearly. And we recognize that, and we're trying to be as broad as possible in our choices and try to be as inclusive as we can and still keep these sector teams to a manageable size.

Mr. Quennell: — Financial services, that would include the credit unions, the insurance brokers. Those will be interesting meetings, Minister.

Hon. Mr. Stewart: — They may very well be, Mr. Quennell. But I think it's probably high time that these organizations sat down around the same table and perhaps tried to work out some of their issues. And if that could be an offshoot of this sector team that we get more consensus between the players and the financial services sector, that's an added benefit. But we certainly need advice from all of those that you mentioned for Enterprise Saskatchewan, and we're actually looking forward to that as well.

Mr. Quennell: — And now again an overlap as there was well clearly with environment, tourism, with the resource sector teams. This time the overlap's with the Ministry of Justice which has a responsibility for financial services and insurance, regulation of credit unions and other financial institutions under provincial jurisdiction. And again I take it the minister doesn't see that policy and service and industry liaison moving from Justice into Enterprise Saskatchewan?

Hon. Mr. Stewart: — Certainly not. We don't expect any specific issues to move into Enterprise Saskatchewan as a responsibility. We deal with the economy in an overarching manner in Enterprise Saskatchewan. And as the member's aware, the ideas move up the chain from sector teams or strategic issues councils to the board of Enterprise Saskatchewan, and then they go to cabinet where there will be

thorough discussion, and they'll either be accepted or rejected. And of course the ministers involved in the issues will certainly be well briefed before that happens and prepared to manage that issue and that debate in cabinet when the time comes.

Mr. Quennell: — Well cabinet meetings are always interesting in my experience. But I can see the minister that's in . . . that you are currently the Minister of Enterprise Saskatchewan bringing items for cabinet that come from, oh, Environment, traditional Justice, Energy and Resources, areas that you'll usually expect recommendations to be coming from other ministers.

And I guess I'm harkening back to my question about sort of conflicts in policy development, but I make the comment that in some ways you could end up as, or whoever is in your position, sort of as almost an omnibus kind of minister making recommendations that usually would come from a cabinet colleague say, in the case of financial services, Justice. And I foresee some difficulties for you or occupants for your position in that respect, but I'm not sure I can phrase that as a question.

Hon. Mr. Stewart: — Well I think I understand what you're getting at, Mr. Quennell, and certainly I'm sure it won't always be easy. But we recognize in our government that policy is an ongoing matter, a moving target. Principles are something that are not, but changes in policy within our principles, the principles that we stand for, are certainly things that we are somewhat flexible on.

We recognize that the policies of yesterday may not suit tomorrow, and as such I believe that there is a great level of acceptance among my cabinet colleagues for this process, and certainly there's been a great deal of co-operation with the process to this date.

Mr. Quennell: — Manufacturing sector team. Is there an overarching organization as you feel there is in mining?

Hon. Mr. Stewart: — Well there are, I guess there are probably more than one. There's manufacturers and exporters, I believe, is one organization. Certainly PAMI [Prairie Agricultural Machinery Institute], the agricultural implement testing facility, may have an involvement. There's a Saskatchewan . . . What's the acronym? Association of agricultural manufacturers of Canada would also be a contributor I would think, and certainly we may . . . We have a largely unheralded manufacturing sector which is more into the fabrication end of manufacturing, primarily for mining and oil field services, and we'll have to find a way to involve them as well.

Mr. Quennell: — We've discussed mining. Co-operatives now, here you've got a range again, large retail, overarching tertiary co-op, Federated Co-operatives Ltd., right down to, you know . . . There's a couple of small workers' co-ops that put out a weekly newspaper. So again, that range . . . Did the government see, you know, maybe the, you know, Federated being most of what is involved in this sector team, or what would the other players be on the co-operatives front?

Hon. Mr. Stewart: — Well certainly Federated is a big player, but there are more specific areas as well. Federated is a pretty

general organization. There are some smaller co-operatives, as the member mentioned. Certainly there may be some overlap between the financial services sector team and the credit unions in the co-operative sector. They may actually be represented on both sector teams, and so we'll strive to involve as broad a cross-section of co-op people as we can and attempt to cover the field as broadly as possible.

Mr. Quennell: — Arts and culture. I guess again getting back to the overlap with the Ministry of Tourism, Culture and Sport, Parks and . . . I'll get it eventually. But that's quite a range as well, and I don't know if the minister has given that any thought or if the deputy has.

Hon. Mr. Stewart: — It is a broad range and certainly probably one of the broadest of all of these categories. And we'll certainly go to that minister for some advice from her officials on the sectors that should be involved.

And certainly a component of this are the various cultures that make up our population, and particularly First Nations and Métis cultures. And, you know, a number of the European cultures that built this province should be represented. It's not only arts and culture in the traditional sense, I don't think. It's Saskatchewan culture as well, which is our own makeup rather than just the fine arts and so on.

Mr. Quennell: — Now to discuss industries for a moment because I think that's where some of the primary concentration's going to be on the part of Enterprise Saskatchewan. The previous government made some investments and provided tax incentives around the film and video industry and I think with overall positive results. We don't need to get into a debate of that, but I think certainly a case could be made for that. More recently, similar types of investments and attention have been given to the music industry.

What role does the government see for public support of cultural industries, using those as examples? Not necessarily exclusively those two. And how is that role, if there is one, going to play itself out? And is it partly through the work of the sector teams around cultural industries?

Hon. Mr. Stewart: — Yes, it will be partly through the sector teams providing advice to the board of Enterprise Saskatchewan, and then that advice being considered by the board and presented to cabinet, but also certainly the Minister of Culture and Sport — and all those other things that we've been attributing to her this morning — and her ministry are involved in these issues day to day and certainly policy initiatives comes from that avenue as well.

I think the sector teams just broaden our outlook a bit as a government, and clearly there is overlap with ministerial responsibilities and we don't see that as a bad thing. We see the sector teams and the ministers' offices complementing each other very well.

Mr. Quennell: — I appreciate the minister probably doesn't have to be warned twice much less three times, but again this seems to be another one where if the film industry is represented and the music industry is represented, for example

— I'm not suggesting those would be two that would be or would not be, but if they were and others were not — again as our discussion of rail and environmental issues, who's there is going to affect what issues get attention.

Hon. Mr. Stewart: — Granted, Mr. Quennell. Certainly that's true and accordingly we will do our level best to be as broad as we can with these choices while still attempting to keep the size of these sector teams manageable.

Mr. Quennell: — We have discussed barriers to economic growth, and therefore I move on to subsection (c) of the mandate, "to provide recommendations and advice respecting the enhancement of the competitive position of Saskatchewan's economy;" I take it since we're using the word competitive in that subsection that that's in respect to other economies — Manitoba's, Alberta's.

Hon. Mr. Stewart: — Yes, Mr. Quennell.

Mr. Quennell: — And without limiting what those might be, but tax policy, what else might be included in that?

Hon. Mr. Stewart: — Well certainly the licensing and regulatory procedures and regimes are a factor . . . [inaudible interjection] . . . Right. Mr. Botting reminds me training and infrastructure are certainly factors. And so those are among the things that are considered there.

Mr. Quennell: — And then in clause (d), "to establish, measure, monitor and report on goals and targets for Saskatchewan's economy;"

Now at some point I'm going to run out of impertinent questions, and maybe my colleagues will as well. And this is going to get voted out of committee and go back into the legislature and be passed with or without the co-operation of me and my opposition colleagues. And I expect the minister is looking forward to a relatively early Royal Assent and proclamation.

So when could we anticipate the first establishment of goals and targets for the Saskatchewan economy? And will those be made public?

Hon. Mr. Stewart: — Thank you for that question. I believe that by this fall, likely early fall, we'll start to see this begin to roll out.

Mr. Quennell: — And again a public announcement as to what those are?

Hon. Mr. Stewart: — Yes.

Mr. Quennell: — So prior to the fall sitting, we would expect?

Hon. Mr. Stewart: — I would think so, yes.

Mr. Quennell: — Clause (e) I think overlaps a little bit with the strategic issues and council discussion we had. And as I said I think despite some confusion in the public discussion on the part of the ministry, the strategic issue councils aren't actually mentioned by name within the legislation. But these look

familiar. The labour force strategic issues council is in essence referred to here and there are some others that might fall within that structure. Is that correct? Youth entrepreneurship, for example, and those ones the deputy minister discussed.

Hon. Mr. Stewart: — Right, enhancing the immigrant nominee program and so on.

Mr. Quennell: — Again I can't recall. Did I ask for a sort of timeline when we could expect to see some these councils established? I know that you haven't firmed up even which ones are going to come into existence.

Hon. Mr. Stewart: — The Labour Market Commission, of course, already exists so the business enabling committee will be, it's being set up at this point in time and I expect that it will be set up by sometime in the month of June. And either of these committees will roll out over time and some may come and go over time. These are not prescribed by legislation and we won't set up any prescribed number of them or strategic issues councils in any specific category except for the ones that we've already mentioned and until or unless it's deemed by the board of Enterprise Saskatchewan that those are needed.

Mr. Quennell: — The timeline on the sector teams. And, you know, some are, as we've discussed, pretty easy to decide who is going to be there and others aren't so easy.

Hon. Mr. Stewart: — Yes. We expect to have them all out by early fall and we'll . . . They won't all come out, they won't all be announced the same day. There will be one or two waves ahead of the final group, but certainly between late May and early fall I think we'll see them completed.

Mr. Quennell: — I appreciate the minister doesn't want to throw all this work into one press release.

“ . . . undertake activities to promote Saskatchewan as a place to live, work, operate a business and invest, including marketing and promotion activities.” Now in estimates we discussed the marketing budget that was in Enterprise Saskatchewan currently. But what type of activities fall within that very general description of promotion of Saskatchewan? Anything other than television ads in Calgary and Toronto?

Hon. Mr. Stewart: — First of all, Mr. Quennell, you give me more credit for media savvy than I deserve. No, that will generally promote marketing and attracting investment from outside the province and coordinating marketing efforts with other agencies to ensure that Saskatchewan is most effectively promoted as the best place to live, work, and operate a business and invest. And that will be done, a lot of it, in person, as the ministry will from time to time attend trade shows and suchlike across the country, and some will be done in advertising and that sort of promotion. But well we generally want to do as much of it as possible on a one-on-one basis at events across the country.

Mr. Quennell: — And internationally?

Hon. Mr. Stewart: — And internationally as well to some extent, certainly.

Mr. Quennell: — Okay. And how would that work be done internationally?

Hon. Mr. Stewart: — Very much the same, although internationally more of it tends to be at the ministerial level. Potential foreign investors want to know about the political environment of the place that they're considering investment. And as the member is well aware, the ministerial level is pretty much a necessity. The minister has to be on hand at some point in that process, internationally. So there'll be more of that. The country has of course our Foreign Affairs offices and so on set up around the world, and we will of course work through them, as Mr. Botting points out.

Mr. Quennell: — And there isn't, in any of the portfolio titles, the word trade, but if there's a trade minister, is it the Minister of Enterprise and Innovation?

Hon. Mr. Stewart: — I would say so, yes. Yes, I think that's right.

Mr. Quennell: — I've noticed that the Minister of Highways and Transportation has arrived, and we're about a minute away from 11 o'clock. Does the Chair want to switch over to the other Bill?

The Chair: — How much more time do you need on this Bill, Mr. Quennell?

Mr. Quennell: — Well probably an hour or two more.

The Chair: — Is that what's been asked for?

Mr. Quennell: — I think we had six hours on this Bill and I think we spent two hours on it. I don't imagine we'll use the whole six hours.

The Chair: — Okay. We will adjourn at this time from this Bill. I'd like to thank the minister and Mr. Botting for answering questions and if the committee can take a short in-place break while we have the other officials move into the chair.

Bill No. 17 — The Highways and Transportation Amendment Act, 2008

Clause 1

The Chair: — We'll be back to order. First off I would like to announce that Mr. McMillan is substituting for Ms. Ross on committee. And the next item for the committee is Bill No. 17, An Act to amend The Highways and Transportation Act. And I would ask the minister if he would introduce his officials and if he has any opening comments.

Hon. Mr. Elhard: — Thank you, Mr. Chair. Before we actually get down to the introductions, I would like to provide for the committee the response to a question that was asked by Mr. Harper the previous time that we met. It has to do with a bridge that he had some concern about, a bridge south of Canora, north of Yorkton. And it's a bridge made famous by many inquiries in the recent past. I'd like to lay that on the table, if I may.

Mr. Chairman, with us today are the senior members of, or some of the senior members of the Highways ministry executive. To my left is our deputy minister, John Law. To my immediate right is assistant deputy minister for corporate services, Mr. Ted Stobbs. And behind me, over my left shoulder, is Blair Wagar, director of transport compliance branch.

Mr. Chair, I'm pleased to be here today to say a few opening remarks about amendments to The Highways and Transportation Act, 1997. These amendments are largely of a housekeeping nature. The first amendment is to The Highways and Transportation Act. The intent of this amendment is to complete the transfer of authority to set speed limits to the Minister of Highways and Infrastructure from the Highway Traffic Board. What this will accomplish is to put into legislation what has been practised through delegation for a number of years. This transfer of authority will also be reflected in a consequential amendment to The Traffic Safety Act.

Other amendments to The Highways and Transportation Act will be to clarify provincial jurisdiction for the appointment of weigh scale inspectors. It will remove references to duties that the federal government does not perform in Saskatchewan or other provinces.

The Highways and Transportation Act will also be amended to transfer the power to issue provincial hours of service permits to the Minister of Highways and Infrastructure from the Highway Traffic Board.

Mr. Chair, I thank you and the committee members for the time here this morning. I look forward to any questions you may have, and we would proceed to those now.

The Chair: — Any questions? Mr. Harper.

Mr. Harper: — Mr. Chair, thank you very much. Mr. Minister, what particular reason facilitated this Act at this time?

Hon. Mr. Elhard: — Well I think the Act came forward at this time basically due to timing. I think the ministry had had some previous concerns about the legal authority of the minister and the ministry to accomplish some of the things that are outlined in this particular Bill. I don't think it really should have come as a surprise. I think it was a matter of timing. If the election hadn't intervened, another government of any other sort would have been dealing with this same Bill.

Mr. Harper: — So I suppose the best way to approach this is section by section. The speed limits, will you explain to me now the process that was taking place previously and the process that is in place now or the practice that is in place now as to, say, a community that has a highway going through it and the speed limit would be . . . Within that community boundary, I would assume it would be different than the normal speed limit of the highways.

So how would that have been handled? Would the community council have to make a request to the Department of Highways for a certain level of speed limit or is there a standard practice or how would that be achieved?

Hon. Mr. Elhard: — There is probably two parts to your question, and the parts I think should be broken down between highway speed limits and speed zones relative to any given community.

The ministry, through legislation, has always had the authority to establish speed zones. That is not something that is new. That has been relegated to the Ministry of Highways for a long time through the legislation that currently exists and has existed for a while.

The issue of speed limits, however, is a larger issue and that's really what's being addressed by the change here. Previously that had been under The Highway Traffic Act. And I think maybe the best response to your question is actually in the explanation under the explanatory notes that came with the Bill.

Up until the new Traffic Safety Act was proclaimed in 2006, the Highway Traffic Board . . . had the statutory jurisdiction to set the maximum speeds on provincial highways pursuant to s. 35 of *The Highway Traffic Act*. However, a number of years ago it was recognized that this power [really] should be exercised by the Minister of Highways and Infrastructure and rather than amend the relevant legislation, the Board used the more expeditious process of delegating its power to set speed limits on provincial highways to the Minister [himself or herself].

So that just sort of provides a background or the process that was in place that is being rectified by this particular piece of legislation. Now:

When *The Highway Traffic Act* was replaced in 2006 by the new *Traffic Safety Act*, the opportunity arose to transfer the power to set . . . limits from the Board to the Minister.

This would have clearly a twofold benefit. It would eliminate the need for the delegation from the board to the minister and would place the power directly where it actually resides in practice. So that's what we're trying to accomplish here.

Mr. Harper: — Very well. So would there be then a set speed limit for any highway that intersects a community within the boundaries of that community? Is it 50 kilometres? Is that the set speed limit for all communities or does it vary depending on the community?

Hon. Mr. Elhard: — I just wanted to confirm some of the information that is relevant to the question the member asked. The Ministry of Highways has complete authority to establish speed zones in communities of 1,000 or less. When you get to communities larger than 1,000, speed zones are usually established through bylaw proceedings by the municipality involved. And that would be the case, I think, for most cities.

Now if the highway going through a given community was primarily the responsibility of the Highways ministry, you know, our rules would apply. If it was primarily the responsibility of the municipality, their bylaw rules would apply.

The other thing that comes into this equation is the design, the

engineered design of that particular piece of road, and safety studies that have been undertaken. And that's not uncommon. We get requests frequently at our office for the ministry to evaluate existing speed zones. And we take those requests and go back to the communities and provide a pretty detailed safety study and look at all the other engineering aspects that are relevant, and say yes, we can change the speed limit or no, we feel the current speed zone is appropriate for the circumstances that exist.

Mr. Harper: — The next section, in regards to the weighing of vehicles by portable scales, that has been in practice for some time now, has it not?

Hon. Mr. Elhard: — I'm informed by the people who know that the practice has been around for longer than you and I. It dates back to the '30s at such a time as portable scales became available.

Mr. Harper: — That was my question. How often are the scales checked for accuracy? And who does this?

Hon. Mr. Elhard: — The rules of accuracy when it comes to scales are established by Industry Canada. They're non-negotiable and we at this point have contracted with a private service deliverer to undertake, you know, an examination of the scales to make sure that they are within the tolerances indicated by the federal rules.

Mr. Harper: — I don't know the present name of the federal agency, but it used to be called weights and measures way back when. And do they not have a time limit or requirement by time for checking those scales?

Hon. Mr. Elhard: — I think the requirement is an annual one.

Mr. Harper: — So where would this be done? Would this be done here in the province, or would the scales have to be sent away somewhere or . . .

Hon. Mr. Elhard: — I want to clarify something I commented on previously. The requirement, the legislative requirement for the annual inspections is our legislation. The standards are set, the tolerances are set, by Industry Canada.

The company that we have contracted with to verify the accuracy of our scales come to our facilities. They come to the static scale sites to make those verifications. We use the accuracy of our static scale sites to identify and verify the accuracy of the portable scales. So they have to comply based on the accuracy of the static scale.

Mr. Harper: — So the tolerance levels are set by federal government in other words, and the company that you have contracted with simply ensures that the scales are within those tolerances.

Hon. Mr. Elhard: — Essentially that's correct.

Mr. Harper: — Who's the company you've contracted with to do this, to provide this service?

Hon. Mr. Elhard: — The name of the company is Industrial

Scale. We have reason to believe they have sites in both Saskatoon and Regina. They're part of a national organization and I'm told they're the only game in town.

Mr. Harper: — Well that was going to be my next question is, how often do you go to marketplace in a competition for their services?

Hon. Mr. Elhard: — The company that we referred to is certified by the federal government. And to our knowledge they are the only certified player in that particular area of endeavour. They charge us about \$1,000 per scale and we haven't at this time seen any reason to go to a tender because it doesn't appear that there's anybody else available to do the job. You know, if that should happen to be the case, if those circumstances change, we most certainly would undertake a public tendering process.

Mr. Harper: — So you say that in the province there's no other, no other company certified by the federal government to perform these duties.

Hon. Mr. Elhard: — That's our understanding.

Mr. Harper: — Isn't that interesting. Section 69 of the amendment there, clause 6 in the Act, can you sort of give me a brief outline of what all this entails? It's the prescription for permitting of extra hours of driving. Who does this apply to, and can you just give me a rough explanation of that?

Hon. Mr. Elhard: — To the member, I would be happy to if I could keep this all straight myself. The area of hours of service is quite a challenge, not just for myself but, you know, for people affected by the imposition of hours of service requirements. And I think that it would be wise if we maybe deferred to somebody who knew quite a bit more about this and in some detail. So I'm going to ask Mr. Wagar to join us at the table.

Mr. Wagar: — Hello there. I just go ahead?

A Member: — Yes.

Mr. Wagar: — The specific section that's being looked at here is the provincial hours of service regulation and the permitting provisions for being able to extend the on-duty time or driving time. Currently our practice is the ministry does the background work, receives the applications for these permits, and then forwards that information to the board for review. The proposed amendment is changing the approval body from the board to the policy area of the Ministry of Highways and Infrastructure.

Mr. Harper: — I see what the minister meant by keeping it straight. Hours of duty time, is there an area in which there would be, the federal government would have jurisdiction, and is there an area where the provincial government would have jurisdiction on the same hours of duty? I'm thinking like public transportation like buses. Buses are something that run interprovincially, so would there be federal regulations of hours of duty that a bus driver could operate behind the wheel? Would that be federally regulated or is it individually regulated by provinces?

Mr. Wagar: — There is both federal hours of service and the provincial hours of service, any carrier or motor carrier undertaking — which includes buses — the transportation of passengers, the transportation of commodities, goods and services, any commercial vehicle undertaking that crosses provincial boundaries falls under the federal hours of service regulations. And that's applicable right across Canada of course. Each province also has provincial hours of service regulations, and that would be applied to any commercial vehicle undertaking that all of their travel is within the provincial boundaries. So that's the difference.

Mr. Harper: — Okay. So then a bus company operating within Saskatchewan and solely within Saskatchewan, then they would fall under provincial regulations and not necessarily federal regulations?

Mr. Wagar: — That's correct.

Mr. Harper: — Are provincial regulations and federal regulations, as far as bus operations or the transportation of individuals, persons, are they the same?

Mr. Wagar: — There's some variations from province to province. So yes, if you are operating as a federal carrier, some of the rules will vary compared to a provincial carrier.

Mr. Harper: — Saskatchewan Transportation Company, would it be considered to be under provincial jurisdiction or would it be considered also as an interprovincial carrier and have to abide by federal regulations?

Mr. Wagar: — I think you'd probably have to ask them, but to my knowledge there may be, if there's travel outside of the province, they would be considered federal.

Mr. Harper: — Because I do believe that they have, I don't know what practice they have at doing this, but I do believe they've entered into charter programs at different times so that would take them outside of Saskatchewan, so that they would fall under federal jurisdictions. For example, Greyhound, which runs right across Canada, they would operate then strictly under federal regulations?

Mr. Wagar: — Correct. Greyhound would be — and again I would have to make sure that they would respond to how they, how they operate — but to my knowledge they definitely cross provincial boundaries, so they would fall under federal hours of service rules.

Mr. Harper: — So if they were operating in a province where the provincial rules were different than federal rules, would they then have to adhere to only the federal rules or would they also be impacted upon by the provincial rules?

Mr. Wagar: — Only the federal rules.

Mr. Harper: — Only the federal rules. Okay. When it comes to the transportation of products, I believe that commercial drivers are required to hold an A1 licence in the province of Saskatchewan here. And that then would restrict them to certain hours of service. Can you tell me what those hours are?

Mr. Wagar: — Thirteen hours driving time, 14 hours on duty. Meaning you can be on duty; after your 14th hour you cannot drive until you take eight hours off.

Mr. Harper: — Okay. And how is this enforced?

Mr. Wagar: — It's enforced at roadside through our highway traffic officers, through our commercial vehicle safety alliance inspection. It's a very extensive inspection that looks at both mechanical fitness and driver fitness, of which hours of service is one of those checks. So it's an officer at roadside reviewing the logbook to ensure that those daily and weekly rules are in place.

Also there's the ability to do investigations and the investigator can look six months back at records, logbooks, and determine whether or not there are any violations.

Mr. Harper: — So that 13 hours — that's 13 hours in 24?

Mr. Wagar: — Correct.

Mr. Harper: — So it can be broken up, though. It doesn't have to be a consistent 13 hours. It could here two hours here and four hours there and six hours there. And down time in between would not be counted as service time?

Mr. Wagar: — That's correct. That's off-duty time on the log provided that it qualifies that you're actually off duty, yes.

Mr. Harper: — So if like picking up a load or dropping off a load or so on and so forth, waiting for a trailer or something like that, would that be considered off duty?

Mr. Wagar: — If you were considered to be on call and you are in your vehicle, if the vehicle doesn't have a sleeper berth, it would be considered on duty unless you can leave that truck and not be on call, so to speak.

Mr. Harper: — I would think though that the professionalism of the drivers in today's world out there is . . . I would imagine you'd have a pretty good percentage of compliance with the rules and regulations?

Mr. Wagar: — Yes, I think it's safe to say that. Yes.

Mr. Harper: — Thank you, Mr. Chair, that's all the questions I have on this particular Bill.

The Chair: — Okay. Seeing no more questions, Bill 17, short title, clause 1, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 8 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 17, An Act to amend The Highways and Transportation Act, 1997 and to make a consequential amendment to The Traffic Safety Act.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — May I have a member to move that we report the Bill without amendment?

Mr. Michelson: — I'd be pleased to move that.

The Chair: — Mr. Michelson. Is that agreed that we report it?

Some Hon. Members: — Agreed.

The Chair: — Thank you. That concludes the Bill No. 17. I'd like to thank the minister and officials for being here and answering questions.

Hon. Mr. Elhard: — I'd like to thank the committee for their interest in this topic and for their indulgence today. We appreciate the opportunity to respond to the questions put before us.

The Chair: — Yes. Mr. Harper.

Mr. Harper: — I'd like to add my words of thanks to the minister and his officials for their indulgence here today. And I think the minister is relieved that I let him off with only a half an hour of questioning and not another five and a half hours. Thank you.

The Chair: — The committee can take a short, in-place stretch while we wait for the Minister of Environment and her staff to come in.

Bill No. 25 — The Wildlife Habitat Protection Amendment Act, 2008

The Chair: — I'd like to call the committee back to order. The next item of business before the committee is Bill No. 25, An Act to amend The Wildlife Habitat Protection Act. I would ask the minister if she would introduce her officials and if she has any opening remarks.

Hon. Ms. Heppner: — Thank you, Mr. Chair. With me this morning is Liz Quarshie, deputy minister, Environment, and Nancy Cherney with the lands branch.

I think the Bill itself is pretty straightforward, so I will forego opening remarks and open up to questions.

The Chair: — Questions? Ms. Morin.

Ms. Morin: — Thank you. Good morning everyone. Could the minister outline what scientific and community-based consultation has taken place thus far with respect to the amendments that are being contemplated?

Hon. Ms. Heppner: — I'll let Ms. Cherney go through the details of the process behind this.

Ms. Cherney: — I'll try to respond to that question. So the consultation that's occurred would be with the lessee or the landowner who's interested in acquiring the particular parcel of

land that we're removing from the wildlife habitat or proposing for removal. So that's where the consultation occurs. They have an interest in acquiring the land, and we look at it and see if there's a reason why we would withhold that, or if we can make the land available.

The scientific analysis that would be done would be of a more generalized nature. So we recognize the contribution of wildlife habitat protected lands to the overall representative area network initiative, so they're all counting towards our biodiversity and conservation principles and objectives. So we have enduring features under each parcel of land that we analyze, and we look at the ones that are being withdrawn, and we make sure that lands that will be inserted in the future have a similar set of enduring features, and that's part of our analysis.

So when we withdraw land, we do replace it with something that's equivalent in the enduring feature analysis and in the quality of habitat and biodiversity measures that are on that land.

Ms. Morin: — Thank you. So how have the consultations shaped the amendments contained in this Bill?

Ms. Cherney: — I'm sorry; I'm not quite sure what the question is.

Ms. Morin: — Okay. So how have the consultations that have taken place shaped the amendments that are currently in this Bill?

Hon. Ms. Heppner: — As Ms. Cherney had pointed out, the consultation process is with those lessees who are interested in purchasing the land and that would be the consultation process behind this.

Ms. Morin: — So there are no consultations that take place with other interested parties regarding the land, the potential land removal from this Act? There's no consultations that take place with other interested parties, shall we say. It's simply the lessee. Is that correct?

Hon. Ms. Heppner: — That's my understanding.

Ms. Morin: — So other concerned parties, like for instance when I think of the Partners for the Saskatchewan River Basin and potential land removal along the South Saskatchewan river, have they been consulted with respect to those potential lands being removed from this Act?

Hon. Ms. Heppner: — No.

Ms. Cherney: — I could, if I might, add one comment to that, that one of our largest conservation agencies and organizations in Saskatchewan is the Saskatchewan Wildlife Federation, and so they have a real interest in the principles behind The Wildlife Habitat Protection Act. And so on a broader sense, we have consulted with them about the principles that the Act actually protects. So they are supportive of withdrawals and additions, where overall there's no net loss in the number of habitat acres that are protected, and again as I mentioned before, that the contributions to the broader initiative of the representative area network are still upheld. So we've had general consultations

with them.

But we don't take an individual transaction that would be the request to acquire land and our decision to make that land available, we don't take those individual transactional details to someone else for consultation. It's more at the broader level. Do you support the principles of the legislation? Are we upholding that in a way that's satisfactory to the conservation community? And that's the kind of degree of consultation that occurs.

Ms. Morin: — So is that to say then that there is a broad-based support that if the ministry deems a parcel of land to be equivalent, and yet these organizations or concerned citizens would be quite in opposition of that, they really have no means of expressing that concern or opposition because there is no consultations that takes place outside of speaking to lessee?

Hon. Ms. Heppner: — Not in specific parcels. And I would point out as well, that the approach that was undertaken with Bill 25 is the same approach that was taken under the previous administration on similar Bills. This isn't the first Bill to come before the legislature to add and subtract lands that are under The Wildlife Habitat Protection Act, and the process that ministry officials use is exactly the same process that was used previously. That's my understanding.

Ms. Morin: — Well I'll let perhaps the former minister make a comment on that because he would certainly have more to say. So according to the explanation provided to by the ministry for withdrawing land from the auspices of the protection regime of this Act, cottage development is an apparent priority for these habitat sensitive areas.

So given that Crown land provides much of the best remaining habitat, and moreover understanding that The Wildlife Habitat Protection Act does not prevent traditional uses of land from taking place, such as cattle grazing, etc., could the minister please explain why cottage development is such a high priority over, say, other economic development that would see far greater benefits to the economy, or alternatively, just retaining this area under the protection of the wildlife habitat Act as it should be provided?

Hon. Ms. Heppner: — Well I don't know that I would agree that cottage development is the absolute priority outlined in this legislation. As you know, Saskatchewan is in a fantastic position currently, economically, and part of what goes along with economic prosperity is development. And people who currently live in this province and are choosing to move to this province look for various things before making a decision whether to stay or to come here. They look for things like good roads, and adequate schools, and hospitals, and social services for those who need it. And the other thing that they look for is vacation or recreation potential.

And so yes, some of the lands that are listed in this Bill to be pulled out of wildlife habitat protection are for cottage development. Not all of them are. And if we are looking to ensure the future prosperity, and I would say attractiveness of our province, we also have to offer — beside the basic things that government is responsible for — to look at things like recreation and vacation spots for people who choose to move here, has the added benefit of keeping people in our province if

they're choosing to vacation here instead of leaving the province. It ensures greater roots into our province as well as the economic outcomes of that as well, that if people vacation here, their money stays here as well.

So yes, part of this is for cottage development, but not all of it. I would point out that some of the parcels of land that are being pulled out — excuse me — are pieces that never should have been in the first place. They're privately owned land that were put in under the legislation in error years ago. So part of this is a correction of that previous error. Some of it is to replace land that was previously taken out, I think, in 2005. So land had been taken out previously and is now being put back in.

But on the cottage development side, I think that's something that will benefit our province. And as was stated, the overall goal of this legislation — as the members would know — is a no-net-loss approach. And so the parcels that are being taken out, if not replaced in this piece of legislation will be when adequate land is found to replace those parcels, going forward, as I said, with the overall approach of the Bill for no net loss.

Ms. Morin: — So when it goes through the list of withdrawals of land from the protection schedule, cottage development is provided as one of the principal reasons for removal of these lands, if not the principal reason. Could the minister identify for the benefit of everyone that the environmental impact study is completed or other studies that are taken into account into the development of these lands and the obvious negative impact this development will have on the very wildlife this Act is originally intended to protect?

Hon. Ms. Heppner: — The environmental impact of any future development will be part of that development proposal. As the land is currently held within the Act, simply removing it doesn't mean that there's automatically going to be cottages built. There are standards in place for the environmental impacts to be examined in light of developments, and those will be taking place if and when these parcels are actually sold.

Ms. Morin: — So the environmental impacts will be done after the land has already been taken out of the Act and developed, and then we'll see if there's a negative impact.

Hon. Ms. Heppner: — You had said that the environmental impact would be done after the development has started. That's not the case. The environmental impact is done before development begins, as part of a development proposal that comes before us and also has to be approved through municipal planning. So it would be done before any development actually begins.

Ms. Morin: — Good. Thank you. So I want to turn to the amendment, clause 9, which is, "the west half of Section 27 and that portion of the south-east quarter of Section 27 covered by the waters of Lake Diefenbaker." In the explanatory notes it indicates that potential economic opportunities may take place. Can the minister articulate what potential economic opportunities are bound to take place to warrant the pre-emptive withdrawal of this land from public protection?

Ms. Cherney: — I'm not sure which withdrawal you are referring to. Could you point us again to which one you're

looking at?

Ms. Morin: — Sure. Under clause (9) of the Bill, it states that it's going to be:

. . . Item 815 is repealed and the following substituted:

“(i) the west half of Section 27 and that portion of the south-east quarter of Section 27 covered by the waters of Lake Diefenbaker”.

So when one turns to the explanatory notes that are provided, it says:

This amendment will result in the addition of those portions of the west half of Section 27-25-6-W3M not covered by the waters of Lake Diefenbaker to the Schedule to replace lands withdrawn for potential development opportunities. This is done to compensate for the withdrawal of . . . [blah, blah, blah].

Anyways point is, I'm wondering if the minister can explain what or articulate what potential economic opportunities are bound to take place to warrant the pre-emptive withdrawal of this land from public protection.

Hon. Ms. Heppner: — We had a request put into the ministry for development of part of the lands by Lake Diefenbaker, and I'm told that the land that is being listed as replacing that land is actually better land than what is being requested to have removed from the Act. So it's actually a net gain as far as quality of land is concerned for that particular site.

Ms. Morin: — And so who is making the request . . . and what type of development does the request provide?

Hon. Ms. Heppner: — As no actual sale transaction has occurred, I don't know that it would be correct for me to say publicly who has put in that request. Obviously that will be made public if and when it has been approved for sale. It has not yet been approved for sale. And as I said, no sale transaction has taken place, and until that time it would probably be inappropriate for me to say who has requested it.

Ms. Morin: — And what type of development is being requested?

Hon. Ms. Heppner: — Development.

Ms. Morin: — Cottage development?

Hon. Ms. Heppner: — Potentially.

Ms. Morin: — Okay. So again we see potential opportunities being economic opportunities, being cottage development, other than things like using the land for agriculture or other means. Is that correct?

Hon. Ms. Heppner: — For that particular piece, yes.

Ms. Morin: — Okay. Well, Madam Minister, I mean with all due respect, I mean, I see that particular piece. I see the piece listed under clause (4), which would be:

“the north-west quarter and that portion of the south-east quarter of Section 35 not covered by the waters of the Saskatchewan River.”

Then there's also clause (5) which is being repealed for cottage development. And that's only just the ones that I actually know about.

Just to clarify, would the ministry favour any economic opportunity, or is there specific criteria that the ministry sees as necessary for a private investor to meet to warrant the sale of previously protected lands?

Hon. Ms. Heppner: — It would depend on the particular proposals that were given to the ministry, and also looking at what lands are available to replace the proposed withdrawals under this Act. There is no automatic withdrawal. It's based on proposals that the ministry receives, whether those are potentially viable and are not harmful, depending on the proponents' suggestions that they offer to the ministry. But if there's other proposals that come forward, there's no particular criteria as long as it's not going to be damaging to the environment and, as I said, as long as we can ascertain that there's other parcels of land that can replace those that are being suggested to pull out.

But if somebody comes to us with a cottage proposal, there is no automatic withdrawal out of the wildlife protection Act.

Ms. Morin: — Well the Act doesn't prevent exploratory economic activity in, for instance, in the cases of oil and gas exploration for example. So under this clause (9), there is a pre-emptive removal of land based on a potential request that's coming forward. So why make the pre-emptive move and not wait until the actual request has been approved and in place, and then see if it's warranted for removal?

Hon. Ms. Heppner: — But the piece that you have been mentioning particularly, on Lake Diefenbaker, in order to facilitate a possible sale — as I said it has not been approved — this is pre-emptive, yes, in order to grant us maximum flexibility in such case as we deem it okay for this land to be sold for development. Obviously because this is a legislative change, there is a timeframe that's involved. So to do it now gives us, as I said, the flexibility that once the proposal has — if it is accepted — allows that development to go ahead. If the ministry feels that the proposal that we have received is not in the best interests of the environment or the province, we can reject that, and at such time the land that has been withdrawn under this Act can be put back into wildlife protection. As I said, it's not an automatic on this particular piece. It's in order to grant us flexibility to grant the sale if and when we feel that the appropriate proposal has been brought forward to make sure that the environment is also protected along with the development.

Ms. Morin: — Well again with all due respect, it may be desirous for the government to have maximum flexibility in making those types of decisions as they occur, but it also doesn't allow for public scrutiny of those decisions being made when, like I said, there's a pre-emptive situation where lands are removed from protection when one doesn't even know what economic development is potentially going to be taking place

on this land.

So I guess my question will then be, what does the ministry view as appropriate economic activity that would necessitate — without knowing what economic activity is specifically intended for — the removal of this land and for others, for that matter, from the protection schedule?

Hon. Ms. Heppner: — I'm not sure exactly what you're asking on the pre-emptive withdrawal of land. It's not a done deal. With all due respect, if and when this Bill is passed, it doesn't mean that a shovel goes in the ground the next day. There is no automatic development of this land. It is being pulled out to allow the government the flexibility to facilitate a sale if and when the ministry deems it has sufficient information that this development can proceed without damaging the environment.

If we are not sufficiently satisfied that the proposal meets the criteria that the Ministry of Environment has — and I would point out again that the Ministry of Environment is operating under the same guidelines as under the previous administration; we're not doing things differently on this front — if we deem it not sufficient, that we are not sufficiently satisfied with the proposal that comes before us, this land will not be sold. There will be no shovels in the ground. This is not an automatic development because this is being pulled out. This is to allow the government flexibility to facilitate a sale if and when we are satisfied with the proposal that is before us. And as I stated, if we are not satisfied, we can certainly put this back through a legislative change later on.

Ms. Morin: — So getting back to the fact that it is not potentially automatic in terms of shovelling going into the ground, but it's certainly is providing ultimate flexibility for the government to do with this land what it sees fit without any public scrutiny, without any scrutiny from the opposition, as to whether or not there would concerns around whatever development might be taking place on those lands that are being removed without knowing what economic development might potentially take place on those lands. So from that perspective, there are concerns. There's also concerns with the fact that the only consultations that place are with the lessee. I mean in terms of . . .

Hon. Ms. Heppner: — The approach on that is the same approach that was taken previously.

Ms. Morin: — Madam Minister, my concern is and my questions are with respect to what's contained in the amendments to this Bill and what's happening with your government going forward. That's what my questions are. So since one doesn't have any ability to answer questions about potential development that may take place, I'm wondering if Madam Minister could clarify . . .

Hon. Ms. Heppner: — If I could interject . . .

Ms. Morin: — I haven't asked a question.

Hon. Ms. Heppner: — I just want to clarify something on your last statement on public consultation, as that's a concern. And Ms. Cherney can follow up on the consultation process on the actual development.

Ms. Cherney: — Yes, I would just clarify that, you know, any development or use of this land that is proposed would still be subject to that public scrutiny and further review that you refer to. So we come before you today just to talk about withdrawal of these lands from the protection of the wildlife habitat Act because it restricts potential sale.

So if we decide, as the minister has said, that this proposal is worthwhile and we want to proceed on some development track, that particular development would still be subject to consultation and to further scrutiny. There would be review within government to make sure that, you know, provincial interests are satisfied whether it's, you know, the municipal planning requirements and guidelines or environmental sewage and water requirements, and so on. That would be taken care of.

And there would also be a level of public scrutiny. And certainly if it happened to be in a part of the province that's recognized as a traditional territory for a First Nation, our obligations under the duty to consult requirements would most definitely be met as part of that consultation effort as well.

So it's not, as the minister has said, it's not automatic that just because we've released the wildlife protection that, you know, the development goes forward without any further discussion. Certainly the development itself would still be subject to all the discussion and scrutiny and review that would apply if it had been suggested on land that wasn't protected under wildlife habitat protection Act.

Ms. Morin: — But the public scrutiny that I'm speaking of is the answers you gave me to the first questions that I asked which is that the only time, the only consultation that takes place when land is being removed from the Act is with the lessee. It's not with the other public that may have concerns about that land being removed, and that still applies to this as well. As has just been described, it is only public consultations within the ministries that might have other involvement with that potential land development or land sale. Is that correct?

Ms. Cherney: — Not just the ministries. As I say, we look at the development, the proposal that's put forward, and we consult on that particular activity with whomever and as broad a stakeholder group as is necessary. Back to your point about the withdrawal from The Wildlife Habitat Protection Act itself — yes, that discussion is triggered because of the relationship we have with the lessee or the proponent who's proposing some particular development.

The principles by which we manage this legislation have been scrutinized by the conservation groups, and we do have their support for the no-net-loss principle. You take some out to meet other requirements and, you know, to balance some of those other needs that the province has. As long as you put in land that is of equivalent wildlife habitat value, they're okay with that, and that level of scrutiny and consultation most definitely has taken place with regard to how we manage this legislation in the bigger sense.

Ms. Morin: — Well I guess we'll have to just agree to disagree somewhat in terms of the level of consultation that's taking place because there are certainly concerns that are being brought to us as an opposition. So clearly there are people that

are feeling that they're not being heard or not getting a chance to be heard at all with respect to potential development that may be taking place on what is currently protected under the Act.

With respect to — what is it? There's no numbers on these — section 355. This one's 373. So it would be clause (4) with respect to item 373: “north-west quarter and that portion of the south-east quarter of Section 35 not covered by the waters of the Saskatchewan River”. It explains that through the explanatory notes that “This amendment will result in the withdrawal of the NE 18-53-13-W2M from the Schedule to accommodate an interest by the lessee to purchase the land from the Ministry of Agriculture.”

Who is the lessee interested in purchasing this land?

Hon. Ms. Heppner: — I don't have that particular information. It's a lessee through the Ministry of Agriculture, and we don't have that with us right at the moment.

Ms. Morin: — Can I ask that that be provided then at the next time we gather to get some more information, please.

And at this point I'll turn it over to my colleague, Mr. Nilson.

The Chair: — Recognize Mr. Nilson.

Mr. Nilson: — Thank you, Mr. Chair. It's a privilege to come and ask some questions about this particular legislation. When this legislation was put into place, there was great amounts of land, especially in the forest fringe area that were included in the wildlife habitat protection area, not so much land in the South and on the prairies and in the North. That land is dealt with differently in many ways. So one of the provisions was to allow for some changes in the legislation that would allow for removal of lands in appropriate places.

One of the difficulties — and I think that my colleague has raised a lot of questions — is that this particular piece of legislation is a protection of land, and it adds an extra layer of protection on top of what municipalities might provide in other places. But the whole legislation goes to the question that I was asking when we were doing estimates, or earlier, about overall land use planning for the province because once it gets out of this legislation, the levels of protection are quite limited, frankly, because we don't have an overall land use policy for the province.

And so I'm speaking from a lot of experience in dealing with this one. And I guess my question to the minister is, have you had a chance to go through and look at each particular parcel of land, who's interested in trying to make the change, and why the changes are being made because a big part of the protection is in fact what the minister allows into a proposed piece of legislation or not. So to the minister: has there been a chance to look through and see what each of these parcels involves so that you can exercise your discretion judiciously in having this come forward?

Hon. Ms. Heppner: — The shorter answer to your question is yes. We have gone through the various parcels of land, and I am satisfied with the approach that we've taken in this legislation.

And I would comment as well on the question by your colleague about public consultation, and that she's hearing concerns from the communities about these particular pieces of land. If there are concerns about this, they could have been directed to my ministry. We have heard no concerns. This legislation is public. The land locations involved in this legislation are public. And if there were concerns, they weren't directed to my ministry. If there were concerns about sections of this legislation, I would have been happy to receive those and have discussions with any concerned residents or groups about the approach taken in this legislation. But as I said, none of those concerns were directed to my ministry.

And I am ready and willing and I think able to have discussions with the opposition. If they had concerns brought to their attention, I would hope that they could pass those concerns on to me. If what we are concerned about in this legislation and the questions that are being posed today are conservation and ensuring that the environment in our province is being taken care of and that we are being good stewards, I would hope that politics don't come into play. So if there were concerns about particular pieces in this legislation that the opposition had heard about, I would hope that they feel that they can approach either myself or my office or officials in the ministry and relay those concerns, that we can have the best approach going forward. But as I said, none of those concerns reached my office.

The Chair: — I understand there's quite a few more questions. And we have reached the hour of noon, so I would like to adjourn this session at this time. Could I have a motion for adjournment please?

Ms. Wilson: — I so move.

The Chair: — Ms. Wilson. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[The committee adjourned at 12:02.]