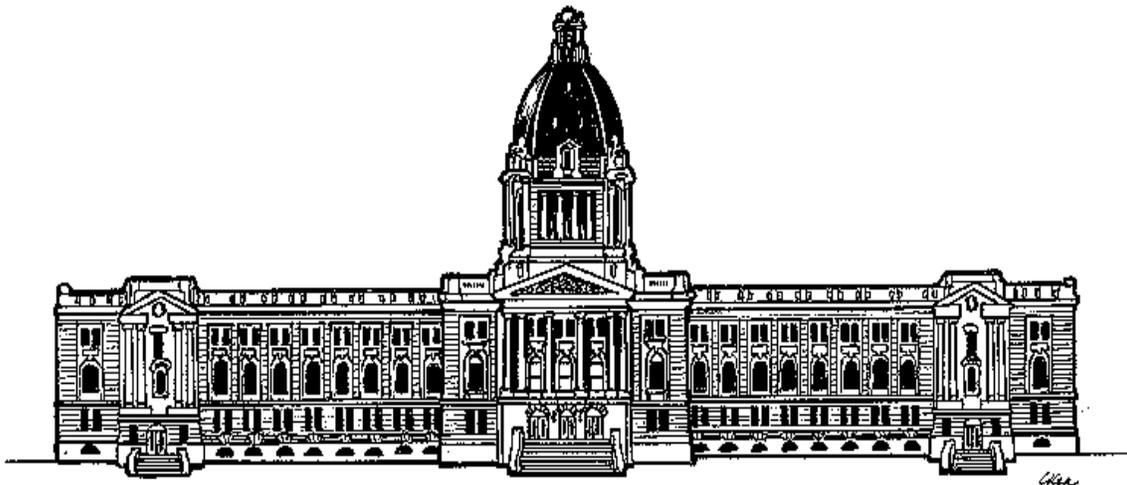




STANDING COMMITTEE ON HUMAN SERVICES

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**STANDING COMMITTEE ON HUMAN SERVICES
2007**

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[The committee met at 15:08.]

**General Revenue Fund
Health
Vote 32**

Subvote (HE01)

The Chair: — The first item up on the agenda today is the consideration of Health estimates vote 32 on page 85. The minister is here with the same officials he was here last week with. If you have anybody you want to introduce or anything you want to say this afternoon again, you can start us off.

Hon. Mr. Taylor: — Thank you very much. I will introduce the officials with me. And I appreciate the fact that last week I did have the opportunity to present the Department of Health's estimates and to answer the questions that were raised at that time about the department's plans for the fiscal year. And I thank the committee again for having me, and I look forward to responding to the questions that will come this afternoon.

So let me take a moment, and only a moment, to introduce the departmental senior staff who are with us here today.

On my left is assistant deputy minister Max Hendricks and on his left is assistant deputy minister Lauren Donnelly. And on my right is the deputy minister, John Wright. Seated behind me are Roger Carriere, executive director of the community care branch; Dr. Louise Greenberg, associate deputy minister; and Rod Wiley, executive director of the regional accountability and regional policy branches.

Also in attendance here are Bonnie Blakley, executive director, workforce planning branch; Deb Jordan, executive director, acute and emergency services branch; Donna Magnusson, executive director, primary health services branch; Ted Warawa, executive director, finance and administration branch; Jeanette Lowe, director of finance and administration; Tracey Smith, assistant to the deputy minister; and Jill Raddysh, who is working as an intern in the deputy minister's office as part of her studies for a master's of public administration degree.

We are here to answer committee members' questions, detail any matters in the budget subject to those questions, and I'm now, Madam Chair, prepared to take questions.

The Chair: — Mr. McMorris.

Mr. McMorris: — Thank you, Madam Chair, and thank you to the minister and all the officials for being here again this week. I realize you were here for about an hour and a half last week and a couple of my colleagues asked questions around the dialysis and the member from Canora-Pelly around recruitment. And I might get to, certainly, some recruitment issues again in the future.

Unfortunately last week I couldn't be here. I was under the weather so I kind of ducked in, came in and ducked out right away. So today I'm feeling much better and look forward to asking a number of questions in a couple of different areas. Definitely recruitment and retention of physicians and nurses is

part of it, also some capital projects and where the status of those are.

But first of all I want to ask a number of questions around the drug plan and the announcement in the budget of the \$15 deductible for the senior drug plan.

Before I ask any questions on the program that's being proposed for July 1 implementation, I have a number of questions around the program that's in place right now. There are supplements or there are programs in place for low income . . . Whether it's people that are on social assistance, which of course will affect and may affect some seniors, programs that are available for people on the independent living program, palliative care patients. There's a number of programs that are available right now.

I was wondering if you could just give me an overview first of all, before I get into each program a little bit more in depth, but if you would give me a bit of an overview of what's available currently under the drug plan.

Hon. Mr. Taylor: — Thank you very much. And I'm glad to hear you're feeling much better. I'm assuming that that's a result of a good health care system in the province being able to meet your every ache and pain and . . . [inaudible interjection] . . . Oh, self-medicating are you? I see. Okay.

I'm going to ask Max Hendricks, next to me here, to just do the outline of the matters that you've asked about just to give us an idea of what the support programs that are in place. And if there's further questions from that then I'll be ready for them. Max.

Mr. Hendricks: — Sure. As you mentioned, there are several different support programs in place. The largest is the special support program which provides drug . . . or income protection for people with high drug costs. Basically that protects people who have drug costs in excess of 3.4 per cent of their income. So that's by and large the largest program in the drug plan, accounting for the majority of the costs.

The other program is the guaranteed income supplement or supplementary income benefits program where we cap the deductible at \$100 semi-annually, and thereafter people pay 35 per cent. We also have emergency assistance programs for people who cannot afford drugs on short notice. Palliative care programs, as you mentioned, people who are on palliative care do not pay any drug costs. And then there's the supplementary health benefits programs and family health benefits programs who protect people on low income or families on low income by supplementing their drug costs.

Mr. McMorris: — Thank you. So I would like to know a little bit more about each program then and, you know, I guess of not only how the program works but also who it's targeted to, the numbers of people that are on those programs, and the dollars that are involved in those programs. If you could maybe start with the first one that you said, special support which is for people that have excessive drug costs. I'll just leave it at that for now.

Mr. Hendricks: — Yes. The special support program is excessive drug costs in relation to their income and, as I mentioned, that was our largest program. I'm just going to grab the number here. Here we go. Okay. Under the special support program we provide approximately — this is '07-08 budget numbers — \$151 million of the drug plan's \$262 million of annual expenditures. And like I said, that's for income where drug costs exceed 3.4 per cent of income. And we adjust that for family members. If you have children and that sort of thing we reduce the amount, or we actually reduce your income by \$3,500 for each child. So there's an adjustment for that factor.

The next one I mentioned was the Saskatchewan supplementary health, which is a social assistance nominee plan, nominated by the Department of Community Resources. And payments under that plan were \$32.9 million. And so that's for low individuals, families, that sort of thing.

The other one is a family health benefits program which is a smaller program, and it provides the majority of drug assistance to the children in the family but also some coverage to seniors. In fact the vulnerable workers plan that was announced as part of the government's budget sort of mirrors that program. And that had expenditures of \$4.3 million.

The other one is the seniors' program, which is the GIS [Guaranteed Income Supplement] and SIP [Saskatchewan Income Plan] supplements where you have a \$100 semi-annual deductible if you're in a long-term care facility and \$200 semi-annual deductible if you're outside of long-term care facility, where thereafter you pay 35 per cent. And the total payments we're budgeting under that program are \$35.1 million.

Palliative care, \$4.9 million. What else is here? And then we have special beneficiaries under SAIL [Saskatchewan Aids to Independent Living] and certain grandfathered drugs with \$20.5 million of expenditures.

Mr. McMorris: — So obviously the lion's share is the special support or the 3.4 deductible. Just so I get a grasp on that, what does that . . . I guess we're very fortunate; we've never had to access much of this. But what does that work out to for an average family? I mean of course there's incomes of all different sizes, but of an average family, a 3.4. Let's say they are an older couple and they don't have any kids at home. You were saying that there's, you know, \$3,500 for each child that's deducted from their gross income I guess it would be. But we'll use the example of a family that doesn't, you know . . . They're older; their children have moved away. How does that work out for a family? Like, what are they looking at for costs?

Mr. Hendricks: — As you mentioned, seniors who do not have children would have qualified for the special support program and will continue to qualify until July 1. Basically that was . . . Currently I think it's about 58 per cent of our current population receive benefits under that program currently of our seniors population. And in total under that program we assist I think it is just over 100,000 families in Saskatchewan.

Mr. McMorris: — So I was also then just kind of interested in the dollar figure, not necessarily how many families but anyway . . . I know it's tough but can you just kind of give me an

example of a seniors couple that are bringing in — I don't know — we'll say \$60,000. How does that work? They pay . . . If you can just kind of work me through an example like that please.

Mr. Hendricks: — Okay. Just for ease we'll use a seniors couple that has \$100,000 of income. So if their drug costs exceeded \$3,400 per year, anything in excess of that, the drug plan would pay for it. And the way that works is once we actually evaluate their income tax returns we adjust the copayment figure so that they would actually experience that through a reduced copayment as they move through the year. So they might pay 50 per cent of their drug costs if, for example, it was at \$5,000 or something annually.

Mr. McMorris: — Can you give me an idea then just on the administration of a program like that? Because, you know, every individual of course could be different and their income is different so you're going to take, you know, one family for example at 100,000 and they have to pay the first 3,400. So then the next year their cost of medication is based on that. There's a year lag then, I take it, if their income changes. So how many then . . . So the cost is about 58 per cent of . . . No that wouldn't be necessarily true. What would the cost be then as far as seniors are concerned just under that program? You're saying that 58 per cent of the people that access that program are seniors. What are we looking at for dollar figures then just in the seniors area if you have that?

Mr. Hendricks: — As I said, seniors account for 47 per cent of all prescriptions dispensed and they accounted for 58 per cent of the expenditures under the drug plan. Now to figure out exactly the dollar figure, I'd have to glance around for that. In total we spent . . . Just doing some quick math here. I would guess seniors are in excess of around \$120 million of total drug plan expenditures, but I'd have to confirm that.

Mr. McMorris: — I started down the road of administration. Then I switched over, but I was going to ask the question about administering a program like this. Do you have that broken out anywhere as far as, you know . . . I mean because that is . . . A program like that of, you know, trying to keep track of people's income year after year and on 100,000 different families — do you have the cost of administering a program like that?

Mr. Hendricks: — I do have that. Actually it's a little bit easier than it sounds. We receive permission from each individual who applies for special support to access their income tax form through the Canada Revenue Agency. And we automatically have a system where we patch into the CRA [Canada Revenue Agency], get that information where we have authorization, and our systems do it automatically. They nominate and calculate the copayment rates. So from that respect it's not a very administratively intense program.

I'll just get you the figure for total benefits support program. In total we have 59.2 FTEs [full-time equivalent] and our total expenditures on that are \$4.1 million. But that includes SAIL, supplementary health, all the other extended health benefits programs as well as administration of exception drug status and maximum allowable cost — those programs that we use to mitigate drug costs. So there are a number of things mixed in there. Certainly the special support program, while large in terms of our total expenditures, but I think it's pretty

administratively efficient.

Mr. McMorris: — So what were . . . For example, as of July 1 then when the new program comes into place and the \$15 deductible prescription, then these 100 families will be more or less dropped from that program and put into a new program? Or how is that going to work?

Mr. Hendricks: — The way that it will work — and we're still working out a few details — but if you're 65 years or over, when you go into a drugstore and get a prescription you will pay \$15. Now we're working out some things around exception drug status and how that will work, because right now you have to obtain permission and meet certain criteria for exception drug status. So working through some of those kinks. But basically, if you're 65 years or older, you put \$15 down and that's the cost of your prescription.

Mr. McMorris: — So we're looking at probably taking 100,000 families out of this special support program, the 3.4, because it is no longer going on the 3.4 per cent of your income, that that doesn't matter at all. Is that correct for a senior? I mean . . .

Mr. Hendricks: — 100,000 families total. There were 76,000 seniors who obtained benefits under the drug plan. That 100,000 includes, you know, middle-aged families that sort of, any family who doesn't qualify for another program. So it was 76,000 seniors currently receive benefits under the special support, the GIS, or any of our other programs.

Mr. McMorris: — Okay. So for those 76,000 seniors that were receiving support under the special program of 3.4, they will be taken out of that program completely because nothing is based on their gross income now for seniors. It's strictly a \$15 per prescription is what they'll be spending.

Mr. Hendricks: — Correct.

Mr. McMorris: — So what sort of impact are you looking at then for that special support program as far as dollars? I mean, if they represent almost the majority or half of the people that are accessing this program, they'll no longer be accessing that program.

Mr. Hendricks: — Well there are a number of things that we will continue to do. Obviously you have situations where there are mixed families — 67-year-old husband, 63-year-old wife, who both have high drug costs — and so we'll continue to administer it. We will still continue to calculate all of these things for those types of families. That's almost 9,000 families. As well, administering the \$15 program itself. There will be some things like I mentioned, EDS [Electronic Data Systems], moving to real time, EDS approvals or some alternative, administratively issuing cheques to people, that sort of thing. As I said, the special support program is highly automated. We don't have a lot of people in our branch doing that on a full-time basis.

Mr. McMorris: — I guess I'm not following it, though. Because you've got a new program coming into place as of July 1, seniors that are 65 and over — and there's roughly about 76,000 you're saying that are accessing — they will no longer

be worried about a 3.4 deductible on their income, will they?

Mr. Hendricks: — No.

Mr. McMorris: — So they'll be extracted from this program which then . . . You were saying there was about \$120 million out of the program that was spent on drugs accessed through seniors.

Mr. Hendricks: — Correct.

Mr. McMorris: — So that money will then go into the new program, which will then be separated out completely. So you could say that they'll be completely separated from the special support program. Is that correct?

Mr. Hendricks: — Correct.

Mr. McMorris: — So what are you expecting then? The budgetary changes . . . obviously 120 million plus, or how do you . . . because you were saying that about \$120 million was coming out of that special support program for seniors. What are you looking at then for a budget of the seniors' program in total?

Mr. Hendricks: — So we've said that the budget for the seniors' program in '07-08 will increase by \$33 million, and then by \$53 million on an annualized basis. And I actually did find that number on the total drug plan paid amount for seniors 65 and up. Total drug costs for all of them was 163 million, and the drug plan paid 88 million of that.

Mr. McMorris: — Can you just maybe mention that again, and explain to me that breakdown then of 163 million spent and 83 the drug plan picked up? Can you just explain that? Those are kind of new numbers. We're getting a lot of numbers on the table here.

Mr. Hendricks: — Under the special support program, as I mentioned, you pay your first 3.4 per cent of your income. You fully cover those drug costs. After that we will assign a copayment based on what we expect your total drug cost to be. So the drug plan pays for all seniors 54 per cent of their total drug costs — all those that are eligible for the program.

Mr. McMorris: — And that's what that number was, that 80-some million out of 160?

Mr. Hendricks: — Yes, 88 million versus 163 million.

Mr. McMorris: — So what do you expect then the budget or the line item of the special support program, that 3.4 per cent, what do you expect that will be at for the upcoming year?

Mr. Hendricks: — Well for seniors, obviously the special support program will take away \$88 million of drug plan expenditures — and I'm talking on an annualized basis — and add \$50 million. So I would expect that it would be roughly in the \$140 million range, the new seniors' program.

Mr. McMorris: — Okay, but the program that's left behind, the special support program at 3.4 per cent, what . . .

Mr. Hendricks: — Well 151, if we take out roughly 88 — and there's a bunch of different programs that seniors qualify for, so this is just ballpark — but if I take 151 minus 88, so 70, 60-some million.

Mr. McMorris: — Will be left in the program at 3.4 per cent of our gross income.

Mr. Hendricks: — Right.

Mr. McMorris: — So when you just said that there's a number of different programs that the seniors are eligible for currently, those are the ones that we've gone through already, or are there other ones?

Mr. Hendricks: — The one I mentioned was the SIP-GIS, where they had seniors with low income, and we expended \$10.3 million on that. Most seniors under that program would be as well off currently as they are under the \$15 program, so we'll put them into the \$15 program with the assurance that they will be no worse off. We're going to cap it at basically what they would have paid under the SIP-GIS, so nobody is worse off.

The other one is you're going to have a few of those under the palliative program.

Mr. McMorris: — Okay. We'll maybe kind of leave that special support program, that 3.4.

I do have some questions though on the SIP-GIS that you were mentioning of \$10 million. How does that work? A senior goes to a pharmacy, has a prescription and wants to get it filled, and they are eligible under this program. What does it cost them currently? And what type of income do they have to have to get into this program?

Mr. Hendricks: — The SIP-GIS is a \$200 semi-annual deductible for seniors living outside of a long-term care home, after which they would pay 35 per cent of their drug cost. So they reach a semi-annual deductible, much like the way it used to work for the rest of us where we had the \$800 semi-annual deductible, and after that there's a copayment that's assigned — I think it's 35 per cent — and then \$100 if you are living in a long-term care home.

Mr. McMorris: — So for people that are living outside of a long-term care home, what income would they be at to apply for this program?

Mr. Hendricks: — I'm going to have to get back to you with that, but if I recall, I believe it's around \$18,000, living outside of a low-income . . . Or incomes below \$18,000, and 22 or 24,000 for a couple.

Mr. McMorris: — That's gross?

Mr. Hendricks: — Gross.

A Member: — Do you have those numbers . . .

Mr. Hendricks: — I don't have them with me. I could get those for you.

Mr. McMorris: — So a senior living outside of the long-term care home first of all . . . We can get into the long-term care homes later, not literally but . . .

A Member: — Well maybe by the time . . .

Mr. McMorris: — Maybe, yes. Living outside would have an income of about 18 to \$24,000, then would be paying \$400 a year — you say 200 semi-annually — but \$400 a year, plus 35 per cent of their drug costs. And that will all be set aside after July 1 and they will then be paying \$15 a prescription.

Mr. Hendricks: — Right. But if you're a high drug user and you have 50 prescriptions a year — which you know from the numbers the average is about, you know, 30-some prescriptions per year for a senior — we've maintained that they will not be worse off under the \$15 per prescription thing. So we'll still calculate the SIP-GIS cut-off to make sure that, you know, we're not making them worse off by introducing the \$15.

Mr. McMorris: — How will you do that?

Mr. Hendricks: — We'll continue to run all of the programs I mentioned before. We'll continue to calculate the special support for people. We'll continue to calculate and get the SIP-GIS limitations and people that qualify for that program based on their income just so that we're assured that they're no worse off under the \$15 program.

The Chair: — Mr. Elhard.

Mr. Elhard: — Thank you, Madam Chair. I've been listening to the conversation, and I'm having a hard time following the numbers so bear with us, please.

Under the program that we were just discussing, the SIP-GIS payment program, if you're going to track those to make sure that recipients are no worse off under the new program than the previous one, would that suggest at some point that they could have a zero dollar prescription? That if they've bought enough prescriptions at the \$15 rate to have reached the plateau that they were guaranteed under the SIP-GIS program, that from then on their prescriptions could actually be zero?

Mr. Hendricks: — They pay up to a \$200 deductible and then 35 per cent thereafter. So they would continue to pay 35 per cent of prescription drug costs after they had reached their deductible.

Mr. Elhard: — So the assumption is that the 35 per cent would have to be less than \$15.

Mr. Hendricks: — Right.

Mr. Elhard: — Okay. All right. I guess what we're trying to determine here is, given all the intricacies and the variations of programs, will the \$15 cap on drugs be beneficial across the board, or will it be more beneficial for some recipients, current users of the drug plan, and less beneficial for others. Can you give us an assessment of that?

Mr. Hendricks: — Well as I said, no senior will be worse off under this program. So obviously Saskatchewan already had a

very favourable program for low-income seniors covered by our SIP and GIS.

But we recognize that seniors across the board have exceptionally high drug costs in comparison to the average population. Seniors pay \$1,300 on average per year for prescriptions compared with \$400 for the average population. So recognizing that a lot of seniors who, you know, may not meet the low-income thresholds prescribed by the SIP and GIS programs do face high drug costs, we decided that obviously, you know, you need some relief across the board. And this \$15 program provides relief to every senior — almost 130,000 — that will utilize the prescription drug program.

Mr. McMorris: — So you're not exactly sure of the threshold, where this SIP-GIS program comes into play. Roughly around 18 to \$20,000, 24,000 for a couple and 18 as an individual. And that's when this program comes into play. How did you come up with that threshold of income? Of 18,000 to 24,000 for a couple?

Mr. Hendricks: — That's nominated by the Department of Community Resources. They actually make the nominations under those programs and usually they're aligned with low-income thresholds. And I think they take into account a variety of factors like their living expenses, long-term care expenses, that sort of thing. But I'm not an expert on the area, so.

Mr. McMorris: — But I mean, it's a gross number, not a net. Their expenses aren't taken off of that, I think you had said, because it was a gross number. Their gross income is 18 to \$24,000 depending on who we're talking about.

Mr. Hendricks: — Sorry. It's a low-income protection program, right? So much like the social assistance program nominates people for our supplementary health program benefits, DCRE [Department of Community Resources and Employment] nominates people under the income protection plan or GIS. So they come to us and we provide the benefits.

Mr. McMorris: — So it's in conjunction with social assistance, or through Community Resources I guess?

Mr. Hendricks: — Right.

Mr. McMorris: — So there conceivably could be many seniors out there that are in that income base but aren't receiving this program if they haven't gone through Community Resources. Is that correct?

Mr. Hendricks: — Yes. I would think it was unlikely. Particularly if they are experiencing high drug costs, they would want to nominate for that program. So although it isn't a huge program in terms of our total program expenditures, most do come through special support, so . . .

Hon. Mr. Taylor: — Let me just add a piece to that because, you know, the first part of this is GIS. So obviously there's a relationship to receiving the Guaranteed Income Supplement at the federal level. So you must be qualified and have gone through the processes to achieve that.

Secondly, the pharmacists are very much aware of how these programs work. So if you're a senior and you come in to a pharmacist, get your prescription and get the bill for it and you say, I can't afford this, the pharmacist will then be able to assist you and tell you about the GIS application or the Saskatchewan program or even the other programs that we have in place including exception drug status.

We work very closely with the pharmacists in helping to identify individuals, seniors at risk, senior individuals at stress because they're usually the first ones to recognize and find out the income levels of seniors, at the pharmacy itself.

Mr. McMorris: — So I understand that, and I understand that these programs are, you know . . . The person will come through quite often Community Resources to get this assistance, but there is no money from Community Resources or any other department in this program.

You were saying that, you know, for example it's a \$10 million program for that Guaranteed Income Supplement, GIS recipients. That money is all from Department of Health. None comes from Community Resources; none comes from any other department to supplement these programs.

Mr. Hendricks: — Correct.

Mr. McMorris: — So this is just kind of a number that has been determined by Community Resources. Is there any reason why the department at whatever point could say, you know, this program, people that are just over the threshold are struggling? Had you ever thought about changing the threshold of income? I realize it's set by Community Resources. That's what you said. But really, it doesn't matter to the department. I mean, you could set the threshold wherever you wanted to.

Mr. Wright: — There are all sorts of alternative structures one could come up with for a drug plan. There's the simple structure we have, 3.4 per cent. Anything above that, the Department of Health picks up. There are tiered structures: 3 per cent lower than a certain income, then 5 per cent — like an income tax system, okay, with a tiered structure basis.

The special support program is based off of, you must be a GIS-SIP recipient. If you are, you're eligible for this program. If you're not, you're not eligible. And it's just strictly income tested, and the income test is in essence for the Department of Health, do you receive GIS and SIP? If not, you're not eligible. You're eligible for the 3.4 per cent program. If you are, could you adjust it? Absolutely. There's all sorts of different variations for seniors, children, and others. And we've adopted some of the best in Canada.

Mr. McMorris: — So you just were using that as an example, if we have 3.4. It could be 3. It could be 5. Are there programs that right now, through the Department of Health, that a person can lower that 3.4? Is there anything that lowers that 3.4? Is everybody at that 3.4 level and then the other programs kick in?

Mr. Wright: — The 3.4 is the standard for our base drug plan.

Mr. McMorris: — But it's fair to say though — and you said it yourself, and I don't want to put words in your mouth; I want to

hear it from you again — is that these programs are definitely income tested, aren't they?

Mr. Wright: — Yes, they are, to the extent that you must pay 3.4 per cent of your income on the base program before you're eligible for it. So that's in effect an income test.

Mr. McMorris: — As is the GIS program an income tested program?

Mr. Wright: — As is the Saskatchewan Income Plan an income tested program, absolutely.

Mr. McMorris: — Okay. That's important to know because there are some saying that the programs that we have in place right now are not income tested. But every program, every supplementary drug program that we have is based on income at some level.

Mr. Wright: — At some level.

Mr. McMorris: — Okay. On some of the other . . . So the two . . . The programs that seniors access the most then would be of course the first one, the largest one that we've talked about, that special support program and the last one that we talked about, of about \$10 million, the Guaranteed Income Supplement, the GIS program. Are there any other programs that seniors have access to?

I guess the one area that we haven't talked about, and I can even answer the question myself, I guess, is people that are in long-term care then. You know, we've been talking about the examples of people outside of long-term care. So people inside of long-term care, can you explain to me how that process works?

Mr. Hendricks: — Well long-term care is also an income tested program. So people inside of a long-term care program would, if they qualify for SIP-GIS, they would qualify for our program. If they do not, obviously their long-term care rates are calculated based on that, as is their eligibility for the program, so you would have people who both qualify for GIS and access our special support program that are living in long-term care homes.

Mr. McMorris: — Is the \$10 million . . . and that covers those people as well? Is that correct? That \$10 million for low income in, for example, long-term care homes, that \$10 million covers those as well?

Mr. Hendricks: — It doesn't cover people . . . There may be higher-income seniors living in long-term care homes that would qualify for our special support program, so it's really determined by income. And so if they don't qualify for SIP or GIS, they would qualify for special support if they access that program.

Mr. McMorris: — And the special support program then works how?

Mr. Hendricks: — The 3.4 per cent of income.

Mr. McMorris: — Oh okay. Okay. But there is no other

program for them. I mean they are living in a long-term care home. I forget, what is the . . . Is it 80 per . . . How do you determine the fee that they are charged in a long-term care facility? I know there was talk that the government wanted to move it to 90 per cent a couple years ago, and that was certainly a battle that we had in the House and the government backed away from it. So maybe you could give me a bit of an example of what people are paying now and then how does that, you know, relate to their drug . . . Doesn't relate to the drug costs, but then what do they have left to cover their drug costs?

Hon. Mr. Taylor: — I see Roger Carriere has come to the table. I'll ask Roger to outline this answer to this question. Roger.

Mr. Carriere: — Yes, the situation we were referring to a few years ago didn't go ahead in the end. Right now residents pay a minimum charge of \$938 a month up to a maximum of 1,780, and the fee is calculated on the minimum charge plus 50 per cent of the portion of income between 1,138 per month and 2,822 per month. And that 1,138 is the . . . That number is arrived at, it is the maximum amount of old age security, Guaranteed Income Supplement-Saskatchewan Income Plan benefits available to a single senior in a long-term care facility.

Mr. McMorris: — So it's not based . . . So there's no necessarily number . . . no percentage. I realize the minimum cost, the maximum cost. If a senior is making \$100,000 of income, he's probably at the maximum. If he's making \$50,000 income, where would he be in this? What would he be charged, they be charged, if they're in a long-term care facility?

Mr. Carriere: — He would be assessed the minimum charge of nine thirty-eight.

Mr. McMorris: — Right.

Mr. Carriere: — And then you would look at 50 per cent of income between 1,138 and 2,822.

Mr. McMorris: — For a maximum amount.

Mr. Carriere: — For a maximum amount, yes. Up to . . . Yes, and the maximum amount is 17,880.

Mr. McMorris: — Okay. So you know, we can kind of get a grasp on they're making X amount of dollars and how much they're paying to be in their long-term care facility. And then, you know, if their drug cost's on top, if they're in a long-term care facility, how does that relate then? What are their drug costs then? I guess it depends, but what do they pay? Is it 3.4 or how does that work then?

Mr. Wright: — It'll depend on their income, okay. So let me use the example of a minimum and the max. — nine thirty eight.

Mr. McMorris: — Yes.

Mr. Wright: — That individual is likely on GIS and SIP. So you're eligible for that \$10 million special program. And that would be, in the case of a long-term care facility, \$100 semi-annual deductible with the 35 per cent co-pay. Okay.

If you're a very well-to-do senior who happens to be living in a long-term care, you would be paying \$1,780, okay. And you would be covered like any other citizen currently under the 3.4 per cent basic program of the drug plan. And there are shades of grey in between.

Mr. McMorris: — So what we're looking at here is long-term care facilities that are run through the health authorities or through government. If a person is in a long-term care facility that isn't, you know, then how does . . . I mean, their income . . . I mean they might use most of their income for staying there per month than they are . . . How does that work then?

Mr. Wright: — If I could give the . . . If you're in a long-term care facility, they are generally government operated, okay. If you're in a personal care home, which I think is the example that you're trying to get at, well then the normal rules would apply. You're outside of a long-term care facility. Therefore you would pay at the lower end to \$100 semi-annual deductible with a 35 per cent co-pay, okay, at the low end. Or if you're a well-to-do senior living in a personal care home, you would pay 3.4 per cent, the first 3.4 per cent under our basic program.

So the only real twist here, between a long-term care and a personal care or living at home is, for a low-income senior, it's \$100 semi-annual in a long-term care, \$200 outside of a long-term care. And that's reflecting the cost and, quite frankly, the fact that an awful lot of long-term care recipients are lower income individuals.

Mr. McMorris: — But conceivably there could be, you know, seniors living in private care homes, and they would not then be eligible . . . I guess they would be eligible for the \$200 and whatever the deductible was — I can't remember — but the 200 deductible. Okay.

So the guarantee though I guess — and you've said it before — but the guarantee is, is that no senior would be paying more after the implementation of this new program than they are currently. They should not be out of pocket anymore. It's a net gain or break-even for every senior in the province.

Mr. Wright: — Correct.

Hon. Mr. Taylor: — Maybe I could just add one piece to this while we're talking about the costs being calculated. When it was explained in answer to the question about long-term care, minimum costs, and the income testing, this is a very simple income testing that takes into account income only.

It's line 150 on the income tax form, easily accessible. It comes forward . . . Line 150 of the income tax form is simply income only. It's not asset based. There's no deductions. There's nothing complicated about it; 150 of the income tax form is income from pension sources and interest. And I'm not sure what else we might see under that, but it's strictly income based — very simple calculation in order to determine what the income level is. And so administratively this is a very simple process for government to undertake.

The Chair: — Mr. Elhard.

Mr. Elhard: — I'm sorry. I had to step out of the room for a

minute, and I may have missed some of the ground you covered. If I repeat some of that area, please bear with me.

I'm looking at a page out of the annual report for the prescription drug utilization portion of the report, and there's several different categories here: beneficiaries approved under income-based special support programs; then you get into beneficiaries paying a deductible under the SAP [Saskatchewan assistance plan], SAIL, and palliative care programs; beneficiaries under health benefits, family health benefits; and special support, and so on down here. And I think I've heard you say — and I guess for the record I want to be sure that we have this absolutely clear — there is no situations in which senior citizens in Saskatchewan will pay more under this program than they did previously.

Mr. Wright: — Under the proposed program that will be implemented effective July 1, 2007, which will cap a senior's drug plan at \$15 per prescription, our intention is not to have any senior citizen any worse off.

Mr. Elhard: — Mr. Wright, you said it's not your intention. Are you envisioning any possible circumstances that might make that promise difficult to fulfill?

Mr. Wright: — There's a lot of interactive nature of this, including of course the income tax system. And as you're aware, in the income tax system, you can deduct your medical expenses — not actual deduction, but it's a tax credit eligible for the first 17 per cent federally. And I believe it's 11 per cent provincially, combined 28 per cent.

So to complexify things if I can just for a second, you're a well-to-do senior citizen making \$100,000. You pay the first \$3,400 as a deductible in the drug plan and therefore receive benefits. But in turn don't forget you can also deduct it. And it's eligible for that 28 per cent, approximately, credit under your income tax system.

So there's those scenarios. There's scenarios whereby there's maybe, as Max pointed out, a 67-year-old senior and a 63-year-old spouse living together. We want to make sure that those situations, those family-income situations, are done correctly. And so far we've worked through all of them, and I'm pleased to report that we've not come up with any particular problems that can't be overcome.

As Max Hendricks also pointed out though, we're working through special circumstances under EDS, or exceptional drug status, and we're going to move to a system of immediate referrals. As a consequence, we don't foresee any problems at this point in time.

Mr. Elhard: — If a problem is reported or if it's discovered at some juncture in this program, are participants — are senior citizens, individuals so affected — are they free to bring that issue directly to the attention of the department and adjustments made to accommodate their circumstance?

Mr. Wright: — Absolutely. We don't expect any, but if there are circumstances, absolutely. And we'll move to resolve it immediately.

Mr. Elhard: — Does it go to the minister's office or to the department directly?

Mr. Hendricks: — To the drug plan directly.

Mr. Elhard: — Okay. Thank you.

The Chair: — Mr. McMorris.

Mr. McMorris: — How does this work then for . . . I guess when a senior goes and has a prescription filled, there's a \$15 fee. If seniors have Blue Cross or other insurance providers that cover that, so how does that work? I mean the government now is first payer at \$15. What do you think will be the savings for a number of these private insurers?

Mr. Hendricks: — We have no estimate on the number of . . . or the amount of savings for private insurers. It is likely that where private insurance does exist that the private insurance company will pick up the \$15 user payment. But with a group of seniors now there wasn't, we don't believe that they have as much private insurance as the people coming, the younger people coming through the system. It wasn't a part of as many extended health benefits plans. But we, to be honest, have no way of gauging the amount of private insurance that exists.

Mr. McMorris: — But it could be quite significant. That's your gauge, your understanding that probably a majority don't have private insurance. But you have no records really; you have no way of determining, knowing of the number of seniors, for example, 76,000 that have been accessing these programs, how many would be insured privately.

Mr. Hendricks: — No.

Hon. Mr. Taylor: — Absolutely. But they don't affect our numbers. The costs that come through the system currently, easily identifiable. Whether or not there's a reimbursement to an individual after the costs have been incurred, of course we have no way of tracking that, no way of monitoring it. We wouldn't have in the future either.

The fact of the matter is our numbers are that front-end cost, and so those numbers would not change under any circumstances. Indeed there could be a net benefit to a private insurer, and indeed it may be later reflected in reduced premiums to individuals who purchase drug plans, whether it be collectively or individually. But we have no way of knowing what the private insurers will do with this either.

Mr. McMorris: — It's interesting that, you know, you use the term, they could receive some benefit — the private insurers. Well they will receive a huge benefit. And I mean this is all about total cost for seniors. But if, you know, if they were paying however much and it's under the 3.4 and the private insurer is coming in and picking up a large portion of that cost, they won't have to worry about it now because the seniors are just paying \$15, and the private insurer is completely let off the hook then.

Mr. Hendricks: — Not entirely. Private insurance companies basically require that people that access drug plans or drug benefits through them actually apply for our special support

program when they do reach 3.4 per cent of income. So if I had high drug costs in relation to my income, the extended health benefits plan that I have would require me to apply for the special support program once they thought I'd reached 3.4 per cent of income. So we have a number of people whose private insurance companies actually make them apply for our benefits when they think that they're getting close to that percentage.

Mr. McMorris: — But how many insurance companies pick up the cost between \$100 a year to the 3.4? You know, if I'm making \$100,000, to use the example, and \$3,400, the private insurance company could — depending on the program that you have — be picking up that full amount. Which then, they won't be picking up that full amount because it's only \$15 prescription.

Mr. Wright: — If I may, let me use two examples. Yourself as an MLA . . . And I'm not sure what an MLA makes. Let's pretend it's \$100,000 a year, okay? So your current extended benefit program would allow you to submit your drug plan receipts and you would be reimbursed for those drug plan receipts. However, once you get to the point whereby the drug company is noticing that you may exceed the \$3,400 amount, right, under the basic program, they will ask you to apply to the drug plan right away.

Now in the case of a senior, it's much the same way. Seniors may be earning an income, okay? And they may have, those who are out in the workforce, they may have a corporate plan. And in the same way, under the current program it would apply, be a similar circumstance. If however under the new program the drug plan company would have you ask for . . . You would get the . . . I'm sorry; I'm confusing myself here. You'd pay \$15, okay? And then you would submit the bill to the plan itself and you'd get reimbursed for that.

But the income characteristics of senior citizens and the number in the workforce or the number that are under drug plans of one form or another, be it a corporate extension program for retired individuals or under Blue Cross or GMS [Group Medical Services], it's relatively few. We're dealing with a lot of lower-income individuals, so we don't have a hard grasp on the number out there. But I don't think it would be significant given the income characteristics and the unlikelihood that a lot of senior citizens out there that may be eligible under this program would have corporate plans or GMS, Blue Cross.

Mr. McMorris: — I'd sure be interested then what the department thinks is, what would be significant and not. I just heard earlier that the department really has no idea how many seniors would be on plans. You used the example, and you also then have said that it wouldn't be significant. You're saying it wouldn't be significant, but you really don't have any idea of how many are on drug plans.

Mr. Wright: — Well based on the current characteristics of the people who are receiving benefits under the drug plan, we have no hard numbers. But one can be intuitive about this, and our intuitiveness would suggest that it won't be significant. Significant would be in the 20 million, \$10 million-plus range.

Mr. McMorris: — Ten to \$20 million range that insurance companies will not necessarily be on the hook for now because

of the \$15 plan. That's a ballpark you're saying?

Mr. Wright: — No. I said that would be a significant number. It could be as low as 5. It could be 2. It could be 1. We don't know.

Mr. McMorris: — It could be 30.

Mr. Wright: — Highly unlikely that it would be \$30 million. Highly unlikely.

Mr. McMorris: — Highly unlikely it would be 1 or 2.

Okay. What does the department project into the future? I've heard different numbers in the House of what people were projecting the increase in drug costs going forward are. We've heard some from industry standards. What's the department using for a projection number on the increase in drug costs, prescription drug costs?

Mr. Wright: — The last five-year average, up to '05-06, was 13.2 per cent. That was down somewhat in '06-07, in the 10.8 per cent range. And we're looking at about 10 per cent again this year overall.

Mr. McMorris: — This year. But it would be fair to use the 13.2 or above if you're looking at a five-year projection on this program.

Mr. Wright: — That would be reasonable.

Mr. McMorris: — What are the projections on the increase? We've used the number here today quite often of 76,000 seniors that are accessing the special program, but there'll be many more because not all seniors are accessing the special program of 3.4. So where are we at now for number of seniors? I know it was in the budget book. I don't have it here in front of me. What are we projecting for the number of seniors that will be accessing this program now? And then what are your projections going forward as to the increase in the number of seniors each year?

Mr. Hendricks: — Currently there are 145,000 seniors eligible in Saskatchewan for the new prescription drug plan; 131,000 of those received prescriptions — we track all of that through our system — so a fairly high percentage. We are projecting that whereas the seniors population makes up one in seven today, that by the year 2020 they'll make up one in six. So an increase of approximately 20,000 seniors by 2020.

Mr. McMorris: — I was interested to hear and it just kind of brought up another question. You were saying that, and I didn't write all these numbers down, but 145,000 seniors, 131 receiving prescriptions. Do you anticipate that number to be increased at \$15 a prescription? In other words, were there any deterrents before about, in the medical system?

And I know I'm not, I don't mean to be questioning the professionalism of doctors. But you've got seniors that, you know, I'm sure were maybe going to a doctor and saying yes but, you know, what can I take for this? It's \$15. Do you think that would be any increase? Do you project any increase in the number of prescriptions raising that 131 above where it's at

right now because of the program?

Mr. Hendricks: — The 131,000 people, we collect prescription every time regardless of whether it's an insured service or not. So we know 131,000 people access drugs in Saskatchewan. Will they use more prescriptions, that sort of thing? We don't know for sure. But we suspect that physicians are prescribing appropriately and that sort of thing and that people are getting drugs that are needed. So we wouldn't expect to see a huge increase.

Just to go back to one other thing earlier about the prescription drug costs and the annual increases. For seniors actually, because they're on a number of what we consider lower-cost, staple-type drugs, we actually project that the costs are a little bit lower and they have actually been declining in recent years. In '05-06, the increase in seniors' drug costs were 7.2 per cent for the plan. The five-year average is 11.9 per cent. So it's a little bit lower for seniors than the population as a whole.

Mr. McMorris: — So in a number of years . . . You've projected for this year up 30-some million and next year, 52 million for this program. Any further projections outward that the department has done?

Mr. Hendricks: — Yes. If you grow a program, just for example's sake, at 10 per cent a year, a \$50 million program, we would expect that this program would be in the, you know, \$75 million range in five to ten, five years I guess. So I don't have those projections in front of me but we do have them.

Mr. McMorris: — Well yes. I mean, a program at 10 per cent per year on just drug costs and then increasing the number of people attending, I mean . . . [inaudible] . . . would say that 10 per cent a year over seven years doubles the money. So if it's 50 million this year, in seven years it's probably closer to 100 million. So would that be fair?

Mr. Hendricks: — That's fair. And we have those projections that take into account estimated population growth as well as drug plan growth. But as I said, the drug costs for seniors and across the system as a whole more recently have been trending downwards slightly. So we're estimating I think at the high end of drug costs. But then if a new drug is introduced, who knows?

Mr. McMorris: — Which is kind of the next point, is if a new drug is introduced. There have been a number of drugs, especially cancer care drugs that have come on stream. Do you feel that this handcuffs the department at all in accepting some of the newer drugs on to the formulary? We know that Avastin hasn't been. Herceptin was a long time coming. It was difficult and the department finally covered Herceptin after really quite a strong lobby by breast cancer patients.

You talk to a number of the pharmaceutical companies and they say the advancements in the next two or three years in drugs that can help deal with some of the issues around cancer are going to be coming on stream, some real major advancements. Do you feel that the department has handcuffed itself at all to cover some of these new drugs and accept them on to the formulary?

Hon. Mr. Taylor: — When we're talking about cancer drugs

actually we're talking about different types of drugs. The prescription drug program operates in one place. Our cancer drug program operates primarily through the Saskatchewan Cancer Agency. We spend a lot of time dealing with prescription drugs and with cancer drugs internally and nationally.

I want to stress a couple of things in leading up to fully answering your question. The first is that on the national level it has been pointed out, both in cancer care and generally for prescription drugs, we've got a real patchwork between provinces across Canada — highlighted most recently by *Globe and Mail* articles written by Lisa Priest, highlighting exactly how different cancer drug support is across Canada and catastrophic drug coverage, particularly in Atlantic Canada, where there are for all intents and purposes no financial support for prescription drugs or cancer drugs at all.

The need for a catastrophic drug program on a national level has been highlighted by ministers of Health for a couple of years. The federal government is not quick to the table but they are at the table to discuss matters relating to catastrophic drug programs. They look at Saskatchewan's program, actually, as a model to utilize because other provinces are nowhere near where we're at. The national catastrophic drug program is being looked at at 5 per cent just in general, hypothetical terms. Saskatchewan's is already at 3.4 per cent. We are ahead of the nation on that side of things.

In terms of cancer drugs, the cancer advocacy group has taken a look at this patchwork and they've taken a look at the 24 most recent cancer drugs that have come on the market at great expense. And of course they rate Saskatchewan as no. 4 in the country as being able to introduce new cancer drugs. I think we're at 17 of the 24, whereas all but three other provinces do not even cover up to that 17 of those 24.

We have continued our discussions on both of these matters at the national level to do a couple of things. We're taking a look at expanding the common drug review which allows us to save some costs on the approval process for drugs.

Secondly, Saskatchewan, Manitoba, and Ontario have recently joined what's called the joint oncology review program in which we are now jointly utilizing the tools that have been put in place by Ontario, reviewing for approval the new cancer drugs — a system that allowed us to approve Rituxan, for example, just a few weeks ago.

We need to continue to work at the national level on this simply because some of the new applications of drugs and new drugs themselves in cancer care are coming in at higher and higher and higher cost. And as a result, smaller jurisdictions — or small tax jurisdictions in a sense, like Saskatchewan or the Atlantic provinces — have difficulty in measuring the ability to fund those drugs as they come on, not individually but collectively.

And so as a result of our discussions we are making some progress. The joint oncology review, for example, I think has assisted us greatly and will assist us even more as we move down the road. Saskatchewan is leading the discussions on the national level for a common formulary, national formulary.

And because Saskatchewan does bulk buying of pharmaceuticals and other provinces do not, we are also having other provinces taking a look at what we're doing here in Saskatchewan. And we're also talking about the ability to bulk buy on a national level to, to a certain extent, hold the national pharmaceutical companies accountable for the costing of pharmaceuticals coming into the marketplace.

So this is an area that we spend a considerable amount of time working on in the future. We are concerned about long-term increases in prescription drug costs. And I would argue very strongly, from what I've just indicated, we have taken a lead on the national level to help not just Saskatchewan, but other provinces as well, work on an issue that will ultimately reduce the costs of pharmaceuticals coming onto the market and enhance the approval processes to get those new drugs or applications into the jurisdiction to the benefit of Saskatchewan residents.

Your question, very simply put, was are we handcuffing ourselves by a program like this? I would say the answer is no.

Mr. McMorris: — One other question I had as you were talking about a number of other provinces — and they're not doing as well as Saskatchewan in this area — how many other provinces, or are there any other provinces that have a prescription drug program for seniors at . . . I mean, it could be whatever deductible. It could be \$15; it could be \$20 per prescription. Are there any other provinces that have programs specifically along this line for seniors?

Mr. Hendricks: — The programs that are in place in every province are different. In British Columbia each senior pays a deductible up to 2 per cent of income, 25 per cent of the next 1 per cent of net income, and are fully covered thereafter. Alberta seniors pay \$25 per prescription . . . or sorry, 25 per cent of prescription costs to a maximum of \$25 for a maximum total annual benefit of 25,000. Manitoba does not have a program specifically for seniors. Residents pay between 2.56 and 5.51 per cent of their total income based on their actual income. Ontario seniors pay \$6.11 per prescription plus an annual deductible of \$100 if their income is above approximately 16,000 for a single or 24,000 for a spouse. Did you want me to go through the Atlantic provinces as well?

Mr. McMorris: — No, that's fine. You just mentioned what Ontario had though, did you?

Mr. Hendricks: — Yes. Ontario seniors pay \$6.11 per prescription plus an annual deductible of \$100 if their income is above \$16,000 for a single and \$24,000 for a couple.

Mr. McMorris: — Okay. Just I guess one final question then in this area — and then I'm going to move to another area — is that, just looking at the budget book, we're looking at our drug plan being around \$322.855 million. And just so I know, that is not any . . . that's just where we're at now. There hasn't been a lot of new drugs come onto the formulary. I mean we're looking at an increase of 50 to \$60 million — 30 million, 30-some million, I guess, is targeted towards seniors, 35 million this first year. Then the other 30 million would be targeted towards expanding drugs on the formulary. Is that correct?

Mr. Wright: — The drug program, like many other programs in the Department of Health, there's a number of considerations that go into determining the cost over the course of the year. The number of beneficiaries, okay, and the number of beneficiaries may change from year to year. In '05-06 for example there were 639,000 beneficiaries under the drug plan. So that can change.

The number of prescriptions that an individual may require over the course of a year can change. On a population basis, in 1997-98, the number of prescriptions were 6,261. By the year 2005-06 the number of prescriptions were 9,365. Okay? Sorry, 9,365 million. On top of that, incomes can change and so the . . . And as well of course the cost per prescription can change. All of those factors — utilization and costs — will go to determine the overall structure and cost of the drug plan at any one year. So it's a combination of factors.

Hon. Mr. Taylor: — And I'd like to add that the formulary itself isn't a static file. It's constantly changing. Every quarter there could be new drugs added to the formulary and others pulled off depending on what's used, the changes pharmaceutical companies have made, a number of things that could happen. So the formulary is not a static document. At any given time there's about 3,500 I think different pharmaceuticals that are listed. If you go into any pharmacy you can talk to the pharmacist about taking a look at the document itself. But it's constantly, constantly changing and evolving as . . . So sometimes new drugs come on. They're more expensive. Other ones come off as well.

The Chair: — Mr. Elhard.

Mr. Elhard: — Mr. Minister, with the discussion that we just undertook in terms of the variability of factors that might affect the drug plan per se, it makes it very difficult I think in some ways to project what the cost might be. You know, the increase, sudden spike in prescriptions and then maybe a dropping off. And earlier we talked about the number of senior citizens — I think the number referenced was 145,000 that we identify as seniors now — and given statistical information we know roughly how many current residents we have and their demographics and when they will become seniors and so forth. But if I heard right, the anticipated growth of the seniors quotient is about 20,000 to the year 2020. Was that correct?

Mr. Hendricks: — Correct.

Mr. Elhard: — So that's about 20,000 in 13 years roughly. That's about 1 per cent growth per year. If I did the math right, that's roughly what that would work out to. I guess I'd like to know about the growth of seniors and how you identified that 20,000 figure as the appropriate figure. Did you just use current demographic information and extrapolate from that? Or are you taking into consideration at least what is anecdotally obvious, the number of people moving back to the province who are senior citizens?

Mr. Hendricks: — That information is provided by the Saskatchewan Bureau of Statistics. It's on the Saskatchewan government website and those are the figures that are the accepted population growth figures for seniors that we use to do our projections so . . .

Mr. Elhard: — But are they basing that information primarily on the existing population? Or are they including what appears to be a pretty dramatic increase in the return of senior citizens to Saskatchewan?

Mr. Hendricks: — I'm not exactly sure what they're using, the variables that they're using. When we did the projections for the program, obviously we looked at the growth in the number of seniors based on the information provided by the experts at the Saskatchewan Bureau of Statistics. We also know certain things about the drug plan. We know that the number of prescriptions on average increases by about 4 per cent per year. Prices are the more variable thing but on average have been increasing about 6 or so per cent a year. So that — in combination with, as you said, a moderate growth in seniors over the next 13 years — helped us to arrive at our projections.

Mr. Elhard: — So the entire program really has been based on information from outside sources. You haven't verified them and I don't suppose you have any reason to distrust them. I'm not suggesting that. But this is information compiled on the basis of data provided by other agencies.

Mr. Hendricks: — By the Saskatchewan Bureau of Statistics which is an agency of . . .

Hon. Mr. Taylor: — Also let me add . . . I mean I can understand some of your stress sitting there trying to write down numbers while you're asking questions and that sort of thing. This is not — the way in which you're looking at the numbers and trying to project — is not the way that we developed this program. There's months of work that's been done within the prescription drug program itself in terms of trying to identify the possibilities and utilizing the projections.

Secondly, all of this data was reviewed by Department of Finance and then treasury board analysts using sources of their own in addition to the sources that the prescription drug program and Sask Health utilized.

So even though these numbers . . . You may be wondering who did you talk to and where did that information come from. It's certainly been developed using external sources, but it's been reviewed several times during the development process and back and forth between Finance and treasury board analysts and Saskatchewan Health and the prescription drug program.

So despite the fact that the member may have some challenges trying to figure out what numbers were used and where did they come from and that sort of thing, rest assured that there were months of utilization of expert collection of data that went into the development of this.

Mr. Elhard: — I guess we're concerned about the sustainability of the program in relationship to the variabilities. And there seem to be a number of variabilities that we've discussed. You might have a spike in prescriptions for a year and then might have a drop-off. You might have, you know, a broadening of costs because of new drugs coming on to the formulary and maybe a reduction of costs because of some drugs leaving.

If we have uncertainty in sort of the numbers of people who

might be accessing the program in the long run, and if we have a sudden surge of senior citizens coming into the program, whether they be, you know, part of the population or from outside, these all will play into the long-term costs of the program and the consideration as to its sustainability. And I guess — I don't want to second-guess the numbers — I guess what I'm wondering about is, how much variability can we expect and how much variability can this program afford and sustain?

Hon. Mr. Taylor: — The member's talking about sustainability, and I know that this has been a concern for some time. It was the very first reaction of the Saskatchewan Party to this program when it was first announced. Even before members had access to any numbers or raised any questions, the first thing said was, is it sustainable? So by and large I know that that's a question that you're trying to find an answer to.

There is variability in a lot of things, including the fact that seniors are in fact today healthier than they were years ago. The prescription drug program has access to data going back many years. We're not only basing projections on the variability of what we think might occur but we've also got data that's been available, collected, utilized, analyzed to provide us with those spikes that have existed previously, and that allows us to provide some averaging as we take a look going forward.

But I do think it is interesting that the members who a very short time ago were talking about reductions in taxes — corporate taxes, sales taxes, those sorts of things — calling for programs that today because we've introduced, we'll just use the example, a 2 per cent reduction in the PST [provincial sales tax], something that members there had talked about as being important to the economy of the province, well the reduction of the PST in this budget in front of us today is costing the government on the revenue side \$350 million a year. This program to benefit a few seniors is costing \$35 million a year.

What is sustainable? Obviously Treasury Board, the government, and the departments have indicated that these are sustainable programs. Whether it's \$350 million in tax reductions or \$35 million in a new program to benefit primarily low-income seniors, these are sustainable programs.

And so if the members are serious about criticizing the government for not doing due diligence on a \$35 million program, maybe they should also take a look at doing due diligence on a \$350 million program or a greater tax reduction, which is the corporate capital tax, which not once did they criticize for being unsustainable. In fact, they decided we should be doing more.

So you want to line up the ducks. Do you support corporate capital tax reductions or seniors' drugs programs? The government's done its due diligence and the opposition members should probably do the same.

Mr. Elhard: — Well, Mr. Minister, we've strayed a little ways from the questions and information that was being provided. The sustainability of any program is scrutinized. It's the role of the opposition to look at all programs for sustainability.

I think the issue of the tax reductions that you have alluded to is

verified in your own budget. In fact, if I recall, the question at one time was whether or not tax reductions could be sustained and the Finance minister said that he would have to take money out of the Fiscal Stabilization Fund in order to pay for them. As it turned out, he didn't have to take nearly as much money out because it seems the economy responded to the tax deductions, both the corporate capital tax and, more recently, the provincial sales tax.

We thought that it would be good business to do that. The government was dragged kicking and screaming to that same realization. And I don't think, given the success of the tax reductions that were undertaken, that the current administration would go back on that particular decision. Well in fact, as my colleague has suggested, maybe the government would like to backtrack on some of that.

But you know, it's unfortunate that that decision proved to be quite beneficial to the province. We looked at the sustainability of tax cuts and we decided that they were an appropriate measure to the success and prosperity of the province. And the government's finding the same thing.

I think what we're asking here about, the sustainability of this plan, is no different than the questions we'd asked about tax cuts previously and we came to the conclusion that they were the right thing to do. And when the government decided to make that decision and move forward with tax reductions in provincial sales tax and corporate capital tax and business tax, we said so. We said it was the right thing to do.

So I don't think we need a lecture about whether or not we're doing our job on the sustainability of any program. I think we do that on a consistent basis. That's the purpose of estimates. And I think that we're doing our job here today.

Hon. Mr. Taylor: — Well thank you very much for those comments because it reminds me of the one thing that I was going to say but hadn't, and that was when any budget is brought forward, there are two sides to that budget. There's revenue and there's expenses. And there are always projections about the ability of the economy to provide a revenue stream to support the expenditure stream.

When the member talked about the government being dragged kicking and screaming into tax reductions, let's not forget that it was the Premier's economic summit that brought corporate Saskatchewan to the table where the issue of the corporate capital tax was brought front and centre. And industry stepped up and indicated that they were prepared to back their call for increases in jobs and increases in investment if indeed the government accepted the challenge to reduce that tax base.

And the government immediately took the direction brought forward by those who made presentations at the economic summit. Jack Vicq pulled the package together, put the detail to it. The Department of Finance went forward. And there was confidence that the economy would improve because industry had indicated that of course they would respond positively. They have.

As a result of that, there are revenue projections today in this province that indicate that we are in a position where we can

introduce new expenditure programs that will have some long-term implications. The growth of the provincial economy is allowing these sorts of things to happen.

The Premier has said we want social progress, but we can't have social progress without economic progress. We have now got economic progress taking place; therefore there must be, there must result some social progress to back and support that.

We are seeing today the introduction of a new program to the benefit of Saskatchewan seniors as a direct result of our knowing, understanding, and having confidence in a growing revenue side for the province. Again, a direct result of initiatives that this government has taken over the last several years. It takes a while to get to these points.

So I will not criticize the member for not doing a job that an opposition has. But I will criticize that it is interesting that there were no criticisms on a \$350 million program for sustainability, but there is criticism about the sustainability of a \$35 million program. Huge difference between those two. And I just think it says there is a difference in the values of the people on the different sides of the House. We believe our value very clearly is, if there's economic progress, social progress will follow.

The Chair: — Mr. Elhard.

Mr. Elhard: — Mr. Minister, the way you've characterized the discussion as the difference between the government and the opposition is political. It's not clearly factual or necessarily objective either. The Vicq commission, as a result of submissions made to it, made recommendations that were very much in keeping with the position the official opposition had held previously, that the official opposition presented to the Vicq commission, and which were incorporated holus-bolus in his report.

We had done our homework on that question about tax reduction and the sustainability of it. And we didn't have to limit our views to what we anticipated happening in the province of Saskatchewan. We had the benefit of results that were produced in other jurisdictions where the same approach had been taken. So it wasn't pie-in-the-sky stuff. It was based on evidence that was available to us from other jurisdictions.

The minister says that the Premier responded based on the recommendations of a conference of business leaders in the province. So be it. But obviously the business leaders agreed that they would step up to the plate. They have done that. We have more jobs than we've had in quite some time. We've got a growing economy and so forth. The sustainability of that program was based on evidence from other jurisdictions and the goodwill and the deliberate efforts of the business community to make it work here. And thank you to the minister and the Premier for having had the willingness to concede that that was a necessary part of growing our economy.

The fact that that was accomplished and that we do have a growing economy has given this government the luxury of introducing a program like this. And I'm not here criticizing the program. We're here asking questions about how the program works, what the details are, how it will impact seniors, whether it will replace previous programs, whether it will be more

beneficial for seniors than previous programs have been, and we've got questions about the ongoing cost of it. That's our job as the official opposition. I think we're doing it today. And I might say that we're doing it with the benefit of five people on our research staff compared to the hundreds of people the government has access to for research and support. We're doing a pretty good job, Mr. Minister, given the limited resources we have.

Hon. Mr. Taylor: — And I think you find that until you raised the question about, is it sustainable, obviously we were answering all of your questions and providing all of the data. It's just that the format . . . I mean we've got binders of charts and stories and historical data and analysis of this stuff. This format allows us to provide some of the information and data to you versus the months of effort that's gone on into collecting it, analyzing it, and preparing the new program.

And of course the reason why the effective date is July 1 is to allow us to work through some of the challenges that we know continue to exist so that we can have a program in place fully operational on a very specific day. So we are working through, as the deputy minister have indicated, various challenges. And on July 1 the program will be in place and prepared to benefit Saskatchewan seniors.

The bottom line in all of this is we want to provide a benefit that will reach as many of the low-income seniors who have had prescription drug financing challenges in the past as possible and this overall program allows us to do that in the most effective way possible.

Mr. McMorris: — One follow-up question then, whether we want to use the word sustainability or not. I like to use the word projections. We've got a one-year projection for next year. We know it's \$35 million for this year. You've just said that you've got reams of binders and statistics showing what the projections are into the future. I would appreciate getting them. I've asked the Minister of Finance that a number of times. I would really appreciate, then — you've said you've got all that information — I would appreciate getting the numbers for the next 10 years of what you think this program will cost. And it doesn't have to be under the guise of sustainability. It just simply is under, what will the program cost in the next 10 years? Each year, year by year, you have the information. You've just finished saying that you do.

Hon. Mr. Taylor: — The Minister of Finance in the House indicated to you that this is a very simple matter. You take the \$53 million and for each year going forward multiply it by, he said, 8 per cent. The deputy minister is saying, use 10. It's a simple matter; just do it.

Mr. McMorris: — Well it's a simple matter. You've got the Minister of Finance, who's supposed to know something about finance, saying it's 8 per cent. You're telling me 10 per cent. And the deputy minister just said in the last five years, it's 13, above 13 per cent.

Hon. Mr. Taylor: — There's overall drug costs. Max Hendricks here indicated that for the seniors' drug portion, we've been averaging 7.5 per cent increase in costs. So for the purposes of projection, we haven't been using the 7.5. We've

used the 8 per cent for the seniors' drug program. I don't know what else you need.

Mr. McMorris: — I would like a consistent number on what the increase in percentage is of the senior drug . . . You just said now it's 7 per cent.

Hon. Mr. Taylor: — Seven point five. Seven point two actually is what Max had said a few minutes ago in regards to the seniors' portion. What the historical average has been on the seniors' portion of the prescription drug plan, the historical average has been 7.2 per cent. The overall average in the prescription drug program has been 13 per cent.

So in order to provide projections and planning purposes, we've used, the Department of Finance has been using 8 per cent because that's a higher number than the historical average of the seniors' portion of the prescription drug plan.

Mr. McMorris: — I would love then for you as the Minister of Health or the Finance minister . . . You've obviously done those projections then. You're telling me to do it. I don't know what you're using for the number of increase in seniors per year. Is it 1 per cent? You obviously have those numbers. Why aren't you releasing them? I would love for you to release them, your numbers, so that you can be held accountable for what you say.

Hon. Mr. Taylor: — I'm being held accountable on 8 per cent, the same as the Minister of Finance has indicated. That takes into account all of the potential variables that might exist with healthier seniors, growing number of seniors, the various spikes, the historical data. And you base projections on those types of things. So an analysis would indicate that our projections on cost are 8 per cent per year, just as our projections in Finance . . . When Finance estimates are up, you can talk about the projected estimates for the revenue side for the next four or five years.

All of our ability to judge whether this program is sustainable or not is whether or not the economy is going to be able to continue to support this type of growth in a new program, and the conclusion of the analysts is yes. The revenue side will balance against any of the increased growth on the expenditure side. Take the variables out — simple matter — 8 per cent per year expected, projected growth in the costs of this program.

Mr. McMorris: — We've just finished talking for the last hour and a half, and a large portion of that was on the number of variables. The deputy minister talked about the huge difference in the number of prescriptions per year. We're trying to get a grasp on the number, increase of seniors per year. We're trying to get a grasp on, first of all, just the increase in drug costs. You're saying it's 7 per cent on seniors. Well if we expand the formulary to accept other drugs . . . There are many, many variables.

And not once have we seen a projection past 12 months on what this government expects the program to cost. Now he likes to lecture us about whether we think it's sustainable. I would like projections. He's saying, well just do 8 per cent times I guess the program will be about \$120 million worth. I don't even know what the exact number of the program for the senior \$15 prescription will be. What is that exact number? We'll times

that by 8 per cent. Tell us what you're expecting for increase in seniors.

I just find it amazing that, you know, you lecture us on whether we think it's sustainable or not but you won't put your own numbers out to be held accountable. Put your numbers out and let us see how that works over the next couple of years. I don't think that's asking too much. You say you have them. You say it's 8 per cent. Fine. How many seniors are we going to increase per year?

The deputy minister said, you bet there's a lot of variables that go into it. I would love to see the department's numbers on what you expect it's going to cost, not just 12 months down the road, but two years and three years and five years down the road. You must have a projection on that. You said you do. I don't know why you won't release it.

Hon. Mr. Taylor: — The projections are very simple. You want bottom-line numbers, and those bottom-line numbers basically are 8 per cent per year. Hold me, the government, accountable for those bottom-line numbers. We've got historical data. We have built our performance plans based on that historical data and information that's been brought forward by the stats branch.

We can be doing the same sort of thing in government when we're doing planning for a Highways budget. And how much money are we allocating over the course of the next five years? What is sustainable within the Highways budget for capital expenditures? Well you develop a plan with dollar values and you run it into your projection picture. Same thing happens with all of the ongoing programs that have ongoing costs to them. The prescription drug program inside Saskatchewan Health is really not any different than any of our other ongoing programs.

For example, let's take a look at how are we projecting on regional health authorities and the dollars that are going forward there. You've got your analysis and assessment of wages that have been paid, numbers of employees that you've got, all of these sorts of things. And you calculate out that you've . . . going to have a 6 or 7 per cent increase over the next number of years, next year, the year after, the year after that. And it's on the basis of that that you build your other budget items around that, and have you got a revenue base to sustain it.

Our number, which you can hold us accountable to, is a growth rate of 8 per cent per year on the seniors' portion of the prescription drug program.

Mr. McMorris: — I will, next time we have estimates, have a sheet here with that projection and see if you will accept that then this is where we're going to be in five years, so that you can be held — or three years or two years — so that you can be held accountable. You know, when you do projections . . . And you talked about income tax cuts. Whether it's a PST or corporate capital tax, I can guarantee you the department did projections longer than 12 months.

I just am surprised that you don't have longer than 12-month projection on the cost of this program. I can certainly do it. I will run the numbers at 8 per cent and then see if you will stand behind those numbers as to what the projection is.

Hon. Mr. Taylor: — I have no difficulty whatsoever in you running any numbers and bringing them forward.

The budget process of government and the utilization of Treasury Board and the Department of Finance of balancing expenditures and revenues each and every year is a very interesting process. And the bottom line is, when you introduce a new program you want to ensure that that program is able to be funded in future years.

The Department of Finance treasury board analysts review all of the data. They review it in minute detail. They spend many weeks of talking to the people that are bringing it forward and recalculating this data, because of course no government wants to find that a program introduced one year has to be withdrawn or reduced in a future year because your numbers are off. Bottom line in this question is that we've been answering some questions, providing the information that we have built some of this data on as requested through the course of this meeting.

And when you're asking us about the projections, it's very simple. All of our calculations are based on an 8 per cent growth in this program.

The other thing is, is that every year when government takes a look at its budget process, it reviews its expenditures and it reviews its revenues and it makes adjustments accordingly to ensure that at the end of the day — at least this government does at the end of the day — we have a balanced budget.

And so in some cases one year the numbers might be greater. The next year they might be less. And as a result that's the work that needs to be done both within the department and within Treasury Board to ensure that everything balances at the end of the day.

Our calculations and our projections are giving Treasury Board an opportunity to take a look at what are they going to need to ensure that we're going to be able to offer this program and continue to balance the budget. Treasury Board has indicated to us very clearly that based on their projections of the growth in the economy that we are going to be able to continue to finance this program with the analysis that's been done to this point.

Mr. McMorris: — I really don't have any other questions in this. And we've a number of questions in some capital expenditure areas, but I don't think we're ever get close to covering them in 10 minutes, and I don't really care to get just started on it.

I guess I could ask the one question. I, through written questions, received a sheet of a number of projects that are projected to be done, and I believe in one of the answers, within the next four years.

Can you tell me what projects have been started and will be finished within the next year? I see you've allotted a couple of projects, the disease control laboratory and the Saskatchewan Hospital in North Battleford, money in the budget special items. Can you tell me if any of these other — and it looks like to be 10 to 15 projects — will be completed in the next year?

Hon. Mr. Taylor: — Just give me a moment. During this

budget year, Don? This current budget year, is that what you're looking for?

Mr. McMorris: — Yes.

Hon. Mr. Taylor: — Okay, Don. These are projects in which we anticipate that the last dollars need to be spent this year. So in other words, we anticipate that projects that could for all intents and purposes be seen to be completed already, the dollars will be moved forward. For example the Swift Current hospital's going to have the opening shortly. But for all intents and purposes, there's still almost \$4 million outstanding on that project. So while it's . . . And the painting's not done on it and that sort of thing yet or not finished yet.

The projects that we would deem to be finished this year, and by the end of this fiscal year the last dollar outside of holdbacks, would be the Cypress Regional Hospital in Swift Current, the Outlook integrated facility in Outlook, the Ile-a-la-Crosse integrated facility at Ile-a-la-Crosse, and the Maidstone integrated facility in Maidstone. Those would be the projects to be completed this year. And I must add one more at the bottom of my list here, the Hudson Bay long-term care addition.

Mr. McMorris: — I see on this list there's no capital project for Moose Jaw and the hospital in Moose Jaw. Was there ever an agreement between the department and the community of Moose Jaw to move towards that, a capital project there?

Hon. Mr. Taylor: — No, no agreement at this point. One of the things that you will know about this budget is that in fact there are no new regional initiatives announced in capital. We will utilize the dollars available to us this year to complete as much of the work as is possible on regional projects. And we will use the year to review the status of all our facilities across the province. And the Moose Jaw facility is one where there's a significantly demonstrated need for renovations and additional capital work in Moose Jaw.

The regional health authorities have identified priorities for new capital expenditures. The regional health authorities, without going into detail, have indicated that that list of priorities could be as much as \$600 million. So we want to know, when we're prioritizing projects for future approval, that we are taking a provincial approach to this because of course \$600 million in new capital doesn't come in one year. So we are going to utilize the year to conduct a full review of regional and provincial priorities for future approval.

The Moose Jaw hospital is on the priority list for the health region, and therefore it is a project that's been submitted to Sask Health for review. But no agreements have yet been reached or dollars allocated for any other specific project at this point.

Mr. McMorris: — The facility in Moose Jaw, it's a priority, let's say, for the health authority, and it's a regional facility. The funding mix then for any improvements to be done, is it on the normal split? And can you just again say what that split is?

Hon. Mr. Taylor: — The normal split — been in place since the early 1990s — 65/35, there's been no change in that

formula at this point in time. The municipalities in the province have asked us to review that. We reviewed it in the context of this year's provincial budget and, given that there were no new projects approved in this budget, there's obviously no change in the formula being brought forward. However those discussions with municipalities and the regional health authorities continue. But at this point in time, planning is being done on the basis of 65/35.

Mr. McMorris: — Okay. I think probably we're pretty close to 5 o'clock. I just was handed some projections here on the drug plan at 8 per cent. And in 10 years the 53 million would be about \$106 million, so it would more than double. This is a little more than double in the first 10 years, and that's just on an 8 per cent increase in drugs. That doesn't factor an increase in seniors which, you know, in 10 years will increase by 20,000, so quite a bit more than that. And I guess what I would be very interested to know, if these numbers are similar to what the department has at 57 million next year, and 61 the following year, and 66 as it goes up. And that's just at an 8 per cent increase. I'd be very interested to know if those are matched by the department's numbers.

Hon. Mr. Taylor: — I have no reason to doubt that, and I'll come back prepared to address that. I think at the same time we should take a look at what the projection of the price of oil is going to be in 10 years time, whether or not we will have been successful on our equalization fight with Ottawa in 10 years time, what the price of potash is — all of those other matters on the revenue side that government has to balance off at the end of the day.

Bottom line is we are enjoying some economic progress, and as a result Saskatchewan people are going to see some social progress. Thank you very much.

Mr. McMorris: — Thank you. I'd like to just thank the officials. I'm sorry I didn't get to use a lot of them. Anybody involved in the drug plan was worked, I guess, a little bit today. But sorry, I'll spread the questions around next time. Thank you.

The Chair: — Thank you to the minister and his officials. And as it is before 5 o'clock, I need a motion to adjourn. Mr. Prebble. Sorry, we're not adjourning. We're recessing. You'll move that motion then.

Mr. Prebble: — I will move that we recess until 7.

The Chair: — Thank you.

[The committee recessed until 19:00.]

**General Revenue Fund
Culture, Youth and Recreation
Vote 27**

Subvote (CY01)

The Chair: — Good evening. The item up for discussion on the agenda tonight is discussion of estimates from Culture, Youth and Recreation, which is vote 27 on page 51 of your budget document.

Welcome to the minister and his officials. Introduce your officials and if you have anything to say to start off the evening, please do so.

Hon. Mr. Hagel: — Well I'll start off the evening by saying good evening. Madam Chair, and members of committee, I'm pleased to introduce to you the officials who'll be assisting in the deliberation on the estimates for Culture, Youth and Recreation.

To my right is the deputy minister of the department, Barb MacLean, and then seated behind . . . I'll just ask them to wave so you can recognize them. Dawn Martin, who is the executive director of culture and heritage; Brady Salloum, who is executive director of strategic policy, recreation and youth; Melinda Gorrill, who is director of corporate services; Nevin Danielson, who is director of youth policy and programs; and Don Herperger, who is the Acting Provincial Archivist and director of government . . . [inaudible interjection] . . . Sorry. No. He's no longer acting. He's the real thing. Sorry. Sorry about that, Don. He's the real McCoy. We've spared no expense to bring in the real guy. But to be serious, Don Herperger, who is the Provincial Archivist and director of government records branch for the Saskatchewan Archives, and had been acting in that capacity before assuming it permanently.

Madam Chair, in some detail last time I gave a summary of what the department is doing to improve quality of life here in the province of Saskatchewan, touching literally hundreds of thousands of lives of people engaged in activities in the whole range from sports and culture and recreation, heritage, and so on. And I don't know that I need to do that again and so I would be happy to proceed to questions, do the best we can to respond to question of the members of the committee.

The Chair: — Thank you. Ms. Draude will start the evening off.

Ms. Draude: — Thank you, Madam Chair, and to the minister and to the officials. Great to be here. It's nice to see everyone. I'm sure we'll have just an exciting evening.

I'd like to start by . . . I went through the estimates. I understand that this is the second time this department has been up so I have read some of the questions and answers and I read the minister's statement on what's been happening in this very interesting department in the last year.

I want to start by talking about the youth initiative. I like to see everybody keep very busy when they come here so I read with interest the minister said that Saskatchewan Youth Project Awards puts youth in a meaningful decision-making role right in their own community. I need you to explain that to me. What do you mean?

Hon. Mr. Hagel: — The youth awards flowed out of . . . First of all, they were overseen by the provincial youth advisory committee, which I think you're familiar with, and comes under the auspices of the department. And it is a committee made up of young people around the province from a variety of backgrounds, geographies, and so on, who give policy advice and who recommended that the funds that were earned through

the centennial year to be used for ways that would provide a youth legacy flowing out of the centennial.

Their recommendation was that the best way those funds could be used is to be used over a three-year period to provide youth leadership grants and grants that are available to young people in Saskatchewan that would provide a leadership opportunity to improve the quality of life in their own communities. Very much, the emphasis is at the community level.

And one of the significant factors from the point of view of young people in the grants, which are available in the range of, I think it's 500 to 5,000, so the smallest grant is \$500, largest 5,000. And in total over the course of the year there will be \$70,000 in grant monies that are available. Applications have already been called for and it will be young people who will be adjudicating those applications.

It was really quite exciting in the last year — both the large number of applicants as well as the wide range of kinds of activities. So they were a huge range. We can go into some of that if you like. But one of the key things from the point of view of young people is that it meant that you had a young person in the community who was the leader of the project. And sometimes what it meant was that when that involved bringing resources to assist with the community, the decision-making authority for the allocation of resources was a young person in this case. It wasn't the young person who was having to have it to meet the criteria of somebody else who was determining what the project was, but that it provided for young people to truly be the leaders of the projects in their own communities.

So the intended outcome was improved communities in a variety of ways, and also that in the course of carrying out the project that there would be an opportunity to develop leadership skills. So that, in a nutshell, is what the youth leadership awards are about.

Ms. Draude: — Thank you. Can you tell me how many communities were involved, how many youth were involved in it, and how many grants were actually given out?

Hon. Mr. Hagel: — Okay. Of course we're not in a position to talk about '07 yet because those haven't been selected. Last year there were in the range of . . . I don't know that I can give you off the top of my head an exact number. It was about 160 applications which, compared to similar kinds of projects in other provinces, was an absolutely phenomenal response. And there were 21 projects that were selected and successfully carried out. And there was quite a variety in the type of project and they were geographically distributed around the province.

Ms. Draude: — So who actually determined that an application would be accepted? Was it your department, individuals in your department? Can you tell me how that committee that makes the acceptances is actually set up?

Hon. Mr. Hagel: — The decisions were made by a volunteer group of young people, and the young people were selected by the provincial youth advisory committee. So the provincial youth advisory committee is the leader and the designer of the program; was not the selector of the projects, but was the selector of the committee of young people who then gave,

reached the final decisions. And I'm sure they had a lot of really, really difficult decisions.

Ms. Draude: — Was there a combination of rural and urban youth involved and can you tell me what the breakdown of it was? And can you also tell me how youth are made aware of this program?

Hon. Mr. Hagel: — Thank you. First of all, the advertising was done in a variety of ways. As you will appreciate, these days one of the most effective ways to advertise to young people is on the Net. And so one of the key ways was on the saskyouth.net website, which is one that our department is constantly promoting as a youth website.

But in addition to that there was some newspaper advertising; there was press release, so through the generation of news; then there were letters and posters that were sent to schools to advertise. There was a variety.

We don't have it here, but what I'll do is provide to the committee a list of the projects. One of the criteria in selecting the projects is that they had to be regionally distributed around the province, and it was a combination of urban and rural. I can't give you the specific numbers off the top of my head, but I think the best way to do that is just to provide the list to the committee of the 21 projects and where they were and the nature of the projects. I think that will give you an idea then as well of the range of projects that were carried out and the creativity of young people in seeking these leadership opportunities that were provided.

Ms. Draude: — Thank you, Mr. Minister. That is perfect. Can you also tell me where the committee members are from so that I . . .

Hon. Mr. Hagel: — The selection committee members?

Ms. Draude: — That's correct.

Hon. Mr. Hagel: — Sure. No, that can be provided. I don't think we have that here with us today.

For the information for the awards that are in the fiscal year before us then, it will be a different committee but selected in the same way by the provincial youth advisory committee. They have been selected, so why don't we provide you a list of to the committee of the selection committee members of '06 as well as for '07?

Ms. Draude: — Thank you. It was interesting to hear, and I'm glad to hear that the decision on who will be determined to be a winner of this, you're looking at outcomes. And I'm wondering how, if you can tell us generally, what you're looking to see. What kind of outcome is going to be important so that an application is actually approved?

Hon. Mr. Hagel: — The question you asked is an important one and this is absolutely important of course for the selection committee, particularly when you're faced with something in the range of 160 applicants last year and who knows how many this year, but knowing that the funds you've got available will come nowhere near to providing response to them all.

Not necessarily in order of importance, but the criteria that the committee is using would be things along the lines — and I've made reference to some already — but the ability of the project to provide a learning experience, first of all, for the young person applying to develop leadership skills and experience, and engage in citizenship, leadership kinds of activities.

Secondly, it's desirable for the project to engage others, particularly other young people, but not necessarily exclusively young people. And one that comes to mind if I remember correctly, in fact specifically it was intended to involve young people and seniors, so that in that community it was seen as a helpful move forward.

A third criteria is providing the ability for youth to advance an agenda of importance to them, so that can be again as defined by young people. So it can range from social to recreational. I think probably most were in those categories. And another criteria was the potential for the project to provide something that was sustainable, that the value to the community was endured past the lifetime of the activity of the project itself.

And so what quickly comes to mind was a recreational — one that I'm familiar with — a recreational project that had to do with ongoing I think skateboard, if I'm not mistaken, but ongoing facility, getting a facility into the community that young people had been wanting to have for some time, and couldn't get. And so working together with the local council got the approval to go ahead, but was able to bring some funds to help make it happen, which made a huge difference. So you ended up there, with a project that provided some great experience, but after it was all said and done there was a community that was going to, for years and years was going to benefit from it.

So those are some of the important criteria as the committee tries to assess and evaluate. And then of course they will look at regional distribution of the projects around the province. It will be a criteria that they'll use to assess as well. So that may mean for example if you have one region that's got a whole lot of applications, and another region that doesn't have many, that doesn't necessarily mean that the one with a whole lot of applications is going to get more approvals at the end, because it is seen as desirable for the committee to select projects that are distributed geographically.

Ms. Draude: — Thank you. I just have one other question on this area. And that is, were there any projects that were designed, were approved, for First Nations and Métis content, or also for anything to do with young people with disabilities?

Hon. Mr. Hagel: — Both of those would be considered value-added components in terms of the attractiveness of the projects. Just off the top of our heads we're able to recall that there was at least one project that was Aboriginal cultural related specifically and . . . but we're not able to recall whether there were any that gave focus related to access for people with disabilities. That may have been an element of some, but just off the top of my head there wasn't any that we can recall that made that a top priority, for example.

Ms. Draude: — I guess I didn't tell you the truth because I'm going ask one more question now. Are you doing any direct

advertising or promotion of this program on reserve schools, to reserve schools? Pardon me.

Hon. Mr. Hagel: — Mailing both last year and this, and I would anticipate next year would go to all schools including, of course, reserve schools.

Ms. Draude: — Okay, I'm going to shift my questioning to a program that has considerably more funding available and probably made some people happy and a lot of people unhappy, and that's the building communities program. I'm going to start by asking why was the \$1 million chosen as the qualifying amount for potential applicants?

Hon. Mr. Hagel: — Let me give you a little background to this because it's, I think it has to have context to understand.

The assessment of the sports, cultural, and recreational facilities needs in Saskatchewan helped us to be informed through work done through the Parks and Recreation Association. And what that review told us is that in its simplest terms in assessing not even including cultural facilities and not even including the need for facility or infrastructure where none existed now, that in looking only at currently existing rinks, arenas, and swimming pools, that the cost of refurbishing or upgrading or where those were not possible, the replacement of currently existing would run in excess of \$750 million.

So we knew right from the very beginning that when we're trying to address the matter of capacity for sports, culture, and recreation in Saskatchewan today that the figure is . . . We don't know exactly what it is, but it is something substantially in excess of \$750 million. Seven hundred and fifty million dollars defines a portion of that total picture.

We also looked at the context of having had, during the centennial, the centennial facilities grant which was available to communities and provided grants of up \$100,000 for . . . and in that case largely upgrading or refurbishment kinds of activities. They were in the grand scheme of things but would be called smaller projects.

In the year 2006, then there was also the community shares program which provided to municipalities in Saskatchewan \$32 per capita and that communities could use in whatever way they considered to be their priorities. There was no strings attached to that. And certainly available to that then were . . . application could include application to sports, cultural, recreational facilities.

In looking at getting the best value in the long run for the monies that became available to us as a result of the natural resources windfall that Saskatchewan was able to realize, we concluded that the best way of spending that money to address the needs in Saskatchewan was to apply it to do the best we can to address capacity — to increase the capacity of sports, cultural, and recreational activities in Saskatchewan and to do it in a way that would provide improved benefits for Saskatchewan citizens substantially into the future, and by that meaning looking ahead 20, 30, 40 years, that projects would be sustainable in terms of the continued use and affordability, and thirdly that they would be projects that would provide support in a regional kind of way for sports, culture, and recreational

infrastructure.

In looking at all of those things, we recognized that we, along with every other province and the territory, is faced with a huge — I guess if we allow ourselves to feel that way — almost overwhelming need in the area of infrastructure for sports, culture, and recreation and that ... which has caused Saskatchewan to join with every other single province and territory in asking the federal government to join as partners with a long-term vision down the road in the same way that many of the facilities that we have in this province and others across the country were built in and around the celebration of the Canadian centennial. And recognizing that the 150th anniversary of the nation is 10 years away from this year, that it is order not only for Saskatchewan but for all jurisdictions across the country, as well as the federal government, to take a long-term view as to how we address the needs for sports, culture, and recreational facilities.

So with all of that in mind, the decision was made to introduce a program, the building communities program, which would support programs ... which would support building of infrastructure that would significantly add to capacity, that would provide improved regional access, and that would be sustainable over a longer period of time.

We had, as I said, in the centennial had a program for smaller projects. We had in '06, the \$32 million community shares program which was per capita distributed to municipalities. And we thought that the best way of spending that money in the long-term best interests of Saskatchewan then was to support programs which had substantial potential to reach those objectives.

Having considered that and recognizing that of all the provinces who had talked with the federal government about developing a partnership, and the partnership that had been proposed was that over the course of the next 10 years the feds, the provinces, and the municipalities together would set as our objective to put in place some \$10 billion to meet the needs across the nation, with the federal government asked to consider to be a partner of half of that with the rest of us over a period of time.

The federal government, in having our discussions, challenged the provinces. They said in essence, if you're asking the federal government to come on side and be part of a long-term plan, then what are you doing? And several of the provinces have responded. No province on a per capita basis has responded to the extent that Saskatchewan has. And we, I'm pleased to say, we're able to put in place then, the building communities program with the objective of looking ahead into the longer term and building capacity and also with something that we hope that the federal government will come to the table to join with the province and municipalities here in Saskatchewan, to build capacity over the years ahead.

Our problem in terms of determining just what the right threshold is, is that there is nobody else in Saskatchewan — or sorry, nobody else in Canada, I should say — who was willing to bring the provincial resources to that extent. In assessing what is it that provides substantial resource to do substantial projects that have the potential to improve capacity for a long period of time, what's the dollar figure? In other words, at what

point can you be confident that that investment is going to result in something that will be substantial for the region.

We concluded that \$1 million was an appropriate level because it certainly would meet that point. It would meet that criteria. And I have said a number of times since the program has been introduced that we've introduced it with the criteria. It's going to run with that criteria. Communities and regions need to have the opportunity to look at what they can do with that criteria. And I will look at this down the road to see if something else is more appropriate.

We at this stage don't know for sure. And it is certainly my intention that when we come to the end of the third year that the money will all have been spent for the objective reached to provide increased capacity in sports, culture and recreation infrastructure.

At this stage, based on our best knowledge, although it's preliminary, it appears as though communities, actually of a variety of different sizes and in different regions around the province, it appears as though we are going to get requests for at least that amount of provincial funds. So I don't want to be misleading or to be unnecessarily discouraging but to be forthright in that it would appear as though we probably have ... for the objective of increasing capacity for regional infrastructure that serves sports, culture, and recreation 20, 30, 40 years into the future, what size projects are appropriate for that? It would appear at this stage as though the million dollar threshold is probably an appropriate level to support sufficient sized projects to make a significant difference.

So I apologize for the length of the answer, but there's a number of factors that went into the thinking and still continue to.

Ms. Draude: — Thank you, Mr. Minister. It was a long answer. And I guess I can probably sum it up in a way that's shorter. Your government has concluded that the best way to increase capacity for sports and culture in a way to provide benefits into the future, the sustainable and regional way, is to support larger centres. And that it doesn't acknowledge the fact that there are centres that are the size of Foam Lake, Wadena, and places right around the province that are looking for a way to attract people.

We're all talking about economic growth and the booms that are happening in the province. And for as much as the cities are booming and are going to be benefiting as the province grows, the economic growth in this province happens because of the natural resources in a lot of ... in most cases. I haven't seen too many oil wells on Albert Street, and I haven't seen many potash mines on College Avenue.

So when we want to be able to grow our province, we have to have facilities out in towns that are considered smaller. And people don't want to build. They don't want to invest money in a town if they think there's no hospital, no school, and no recreational facility. So the decision to not support a centre that can't come up with \$1 million so that they — the government — will match the \$1 million has left them out in the cold.

And I think that that has put the communities at a huge

disadvantage when it comes to being able to build their own centres. I guess I have to stop by asking you if you don't think the decision to set the bar at \$1 million makes it difficult for smaller centres to attract people out to their communities.

Hon. Mr. Hagel: — Well what I will say in response, Madam Chair, is that the program is available to communities who are looking at meeting a regional need. That doesn't mean just the large cities. And I am aware that there are some proposals that are being looked at that are — that nobody would call — including larger cities. But they're looking at an involvement of people within a region.

We're certainly, when we're talking about the grant flowing out from the building communities program, then the funding that's available, one of the factors is, a key factor is the per capita . . . it's per capita funds. But the per capita is based not on the population of the single community that may be the core applicant in the project, but the per capita is based on the population of all municipalities — including rural municipalities, including First Nations communities — that sign on their support for the application. The application is intended to support building the capacity to provide regional needs, and the populations that will use it will be determined by the applicants who shape their plan looking down the road to meet regional needs.

So I think, number one, I just, I want to acknowledge that the building communities program is available for regional application which will virtually always involve at least . . . it will involve more than one municipality in the application.

And having said that, I said earlier in my remarks that when we look at the needs, I think we're probably conservatively estimating that when you look at the, when you add to rinks, arenas, and curling rinks . . . and swimming pools, I should say, then cultural and sports, culture, and recreation facilities where there are none now, you don't have to be a rocket scientist to recognize that you're looking at a need that's somewhere in excess of \$1 billion. And we simply know that there is no . . . it is literally impossible for a \$100 million program to be able to respond to everyone's first preference. I accept that as a limitation. However I, again, I point out there was a context of the centennial grants program and the Community Share program that were previously offered.

But having said that, the message you bring to this committee is exactly the same as the message I take to the national table: that when provinces and territories come together at the national table with the federal government and talk about the need for a program targeted to respond to communities over the course of the next 10 years using the 150th anniversary as our motivational force, that it means you need to do a variety of things, and you need to be able to plan, and you need to be able to do it with partners because there's absolutely no way the communities can do it on their own. I know that. Very, very few. And there will be larger number, but some, but many who will not be able to do it when their only partner is the provincial government.

When the federal government becomes a partner, the number of communities that can get in goes up substantially again, and you round out the picture by including the private sector. It's

really four partners is what it takes to build those infrastructure needs for the future. And so I acknowledge, I acknowledge what you say and tell you that that's part of the argument I take to the national table when arguing for the federal government to join with the provinces.

Ms. Draude: — How many applications were received for last year's funding?

Hon. Mr. Hagel: — Well there were no applications received for last year's funding.

Ms. Draude: — How much money was spent last year?

Hon. Mr. Hagel: — Last year from the — by last year meaning the '06-07 fiscal year — there were some projects that were responded to who met the criteria. You'll recall when the committee met in November — I guess it was when the committee met and the criteria had not yet been developed at that time — that when the criteria were completed then we asked the question: are there any of those very large projects that serve regional needs that are sustainable long into the future who have made inquiry to the provincial government requesting support for moving forward on meeting infrastructure needs for sports, culture, recreation, but to whom we said no because we didn't have a program at the time?

We then . . . and there were some that were in that category, that then they were the ones that attracted the funding from the '06-07 fiscal year and in the amount of \$14.62 million was spent in responding to regional projects that were based in the communities of Lloydminster, Swift Current, Yorkton, and the Wanuskewin Heritage Park.

Ms. Draude: — So last year there were there were no applications received, and the government has decided that four different communities or groups would get the . . . regions would get the money. There was never any applications. Well I know there was something available where people could . . . they were given the criteria, but they never had an opportunity to even apply.

Hon. Mr. Hagel: — The application deadline, the first application deadline is April 30th of this year, is the first application deadline. These were projects that had made a request to the province, but they hadn't applied . . . when they applied the building communities program did not exist, and therefore they were not able to fill out a building communities program application because at the time of their request to the province, the program was not in existence at that time.

Ms. Draude: — So the people that got the money last year were ones that had indicated to the government, even before there was such a program, that they needed money. So they were given money even though they hadn't really applied for anything. The government just knew they wanted something?

Hon. Mr. Hagel: — They had made application . . . they had made request. They hadn't made application in a technical sense because there was not a program but had made . . . whose projects all had the criteria of the building communities program. They responded to improving the capacity for delivery of sports, culture, recreational facilities, and that responded to

regional use of that, and that they were all very large projects that by their business plan — it could be confirmed that they had solid business plans — that clearly demonstrated that the projects would be continued to be used 10 . . . well decades — 20, 30, 40 years into the future.

So they had in common that they were large projects that met the criteria of the building communities program, and which the communities, in all cases the home community funded without regional support even though it was providing a facility that would be supporting regional activity, that they had been funded purely at the municipal level — and obviously would not in a month of Sundays be in a position to be applying for building communities program because they had taken on large projects that had left them in serious debt, and so met the project's criteria and the decision . . . and had had communication with the province in request for funds to the province to be a partner, but at the time that they made the request we did not have the building communities program.

Ms. Draude: — Mr. Minister, when we met last year there was no criteria; that was being developed. And so these at least four regions had indicated to your government that they needed money. And you hadn't designed the program yet, so they were given money under some criteria that was determined at . . . Maybe they all had something in common — that was how it was determined — but they were the only ones that received the money. Was there anybody that had applied or not applied, had indicated to government they needed money that you didn't give it to?

Hon. Mr. Hagel: — There are, as the criteria for the program were developed I think as the member will recognize, Madam Chair, there are two streams to the building communities program. One is projects with the threshold of \$1 million and then the other is a project with a threshold of \$10 million. When the criteria were developed, then it was recognized that there were these projects that were recognized that had undertaken very large projects.

And by that definition we mean those that were in the threshold of over the \$10 million. In fact they were all substantially over the \$10 million in the threshold. And it was recognized that they had come to the province, the province had said no at the time, that they had undertaken very large projects that were meeting not only the needs of their own communities but of their region and for which they were, municipalities were assuming significant debt, and that these were projects that met all of the desirable criteria of the building communities program to add to the capacity of the delivery long into the future. So it was for those reasons that these were the ones that were responded to.

Ms. Draude: — The question I had asked is, how many communities had come to your government indicating that they needed funding for a sports or culture facility that were not given money?

Hon. Mr. Hagel: — Probably the best way of determining the interest in provincial investment to support sports, culture, and recreational infrastructure would be going back to the centennial infrastructure program. So there would have been, we would estimate, somewhere in the range of over 150

applications that would have come to the province in various sizes.

There were only the three from the municipalities that fell into the category of the large threshold. And in fact none of them were close to the cut-off point of the large threshold that they were substantially over, and were judged to have met the long-term larger regional provision of sports, culture, and recreational infrastructure support that the building communities program is intended to respond to.

So I can't tell you exactly how many, but the expressions of interest and/or applications would have been something in excess of 150.

Ms. Draude: — Thank you, Mr. Minister. We both know that when we met last time there was no criteria. We knew that, so there wasn't . . . There had to have been a determination that the 150 applications weren't as important as the four larger ones. There is a lot of people involved in the 150 applications. They would have serviced a whole lot of communities, and yet the government had determined that the four that there was money given to last year — and I'm going to ask you to give me a breakdown of how much money was given to each one of them — there had to have been a decision made that the other, the 150, weren't as important as the four larger ones.

So my question is, first of all, how much money was each one of these four centres given, and when was the decision made that \$1 million was the baseline, and that was where this government has decided building communities should put their support?

Hon. Mr. Hagel: — Well first of all I don't agree with your concluding statement about the criteria. As I've said to you earlier, it is clearly understood that it is literally impossible to respond to all the legitimate requests that communities would have. And as I said earlier as well, that's an argument I continue to take to the national table in support of not only Saskatchewan but that is joined by all other provinces and territories as to why we need to do some long-term commitment of provinces together with the federal government to enable municipalities to be able to plan and to make application in the ways that will work for them, that the \$100 million program simply is unable to respond to all of the legitimate requests that will exist in the province.

The four projects that received funding in the three municipalities, they were all well over the \$10 million threshold and met all the criteria of the intention of the building communities program: the Lloydminster Common Wealth Centre, which received \$4.97 million; the Swift Current Centennial Civic Centre, which received \$3.08 million; the Yorkton Gallagher Centre, which received \$4.07 million; and then the Wanuskewin Heritage Park, which is not a municipal project but is a cultural heritage park, as you will recognize, and received \$2.5 million.

Now the Wanuskewin was not an application that flowed through municipalities. That was Wanuskewin communicating directly to the province. As you know, the province has a relationship with the Wanuskewin Heritage Park.

Ms. Draude: — Thank you, Mr. Minister. I know that Yorkton for sure, when they were building their Gallagher Centre, had a budget or an estimate on how much they thought it was going to cost, and they ended up being short of money. Were the other four centres in the same predicament? Did they all start their project and then find out they were in a deficit position?

Hon. Mr. Hagel: — They all were carrying significant municipal debt as a result of their decisions to go forward with the projects, yes.

Ms. Draude: — So were there any other regional centres that had a project that was in need of this amount of funding that wasn't given funding?

Hon. Mr. Hagel: — There were no others in the threshold of over the \$10 million and these were the only ones that were in that very large category. And they all were granted then funds based on the fact that they had in common, that they did and do meet the criteria. They're providing resource for regional use that is clearly capable of being sustained for decades into the future.

Ms. Draude: — Were these facilities completed before the funds were advanced to them?

Hon. Mr. Hagel: — Two had completed the construction, the Lloydminster and the Yorkton projects. The Swift Current project was still in . . . the status of the Swift Current project is that it was in the process of completion. And the Wanuskewin has not yet begun.

Ms. Draude: — So Wanuskewin was one then that hadn't started their facility before they were given their funds. Or had they done some preliminary work?

Hon. Mr. Hagel: — The Wanuskewin project had completed their business plan but hadn't yet begun their actual construction work.

The Chair: — Mr. Hermanson.

Mr. Hermanson: — Thank you, Madam Chair, and thank you, Mr. Minister, for appearing before this committee. I want to ask a couple of questions as well about the building communities program. I've received letters from my constituents about this. As you are no doubt well aware, there is an organization in the west central part of Saskatchewan called the West Central Municipal Association and they represent a significant portion of Saskatchewan's population. They work collaboratively together. I attended one of those meetings early in the new year and I was given a copy of a letter written to you by the town of Eston signed by Mayor Al Heron. It was copied to myself and sent to you.

I would just like to put this letter on the record, because I think it expresses the sentiment of many communities that were deemed to be not worthy of even any consideration under the building communities program. The letter reads:

Dear Sir:

When the government announced in the 2006 fall throne

speech that funding was going to be provided for building communities in terms of recreation and culture we were very pleased. There has been very limited assistance available in these areas for many years and we saw this as a response to that need. Our hope was that at least 20% would be made available to rural communities.

For Eston our key projects for 2006 and 2007 have been to reduce the energy costs for our facilities. We are in the process of installing variable frequency drives on our artificial ice plant that we expect will save us \$8,000 a year for a \$50,000 investment.

We had also planned for installation of solar heating in our swimming pool utilizing the Renewable Energy Deployment Initiative and expected to save \$6,000 a year from an investment of \$50,000. The REDI program was put on hold for most of 2006 and our application was not accepted so we were hoping it would meet the criteria of the Building Communities Program.

In addition, we have utilized the Office of Energy Conservation to review our electrical usage and they have identified that we can make an investment of \$30,000 for annual savings of \$5,000.

We have the cooperation of the Rural Municipality of Snipe Lake in these projects but even with their assistance the capital cost is significant for a combined population of 1,500 people.

From the original announcement we had the impression that there might be as much as \$50 per capita available for qualifying projects. We were hoping to obtain as much as 50% funding towards these projects and proceed with them in 2007.

Today we find out that the Building Communities Program does not include Eston or any other community who are planning on expenditures of less than \$1,000,000. This is a community that has deeply invested in recreation and cultural facilities in the past decade and we do not have any major needs that would require a \$1,000,000 project. We have built our multi-million dollar facility; we need help to keep it in operation.

We are however struggling to continue to find the operating costs for the recreation and cultural facilities that will help maintain the quality of life your government brags about in Saskatchewan.

The solar heating and lighting upgrades have a potential for savings of at least \$11,000 per year in energy and power costs. These savings will directly benefit the users in lower fees which will maintain or increase participation with the resulting benefits to the social life of the community and the health of the residents. We would be reducing our greenhouse gas emissions by at least 100 tonnes.

We request that you either reconsider the minimum level of the program or initiate in the 2007 budget a per capita program that will allow smaller communities like Eston to

make the infrastructure improvements that will build our community.

We would hope that you can expand your vision of Saskatchewan to include all communities not just the largest communities.

Signed by the mayor of Eston.

Mr. Minister, I've heard this expression not only on this issue, but many issues regarding the service of the provincial government, whether it be highways or whether it be health care or whether it be education, and certainly when it comes to cultural and recreation facilities, that this government has totally forgotten about smaller communities. And I would remind you that smaller communities in Saskatchewan make up about half of the population.

This is a significant issue. It is a hurtful issue. We're talking about here not only the disrespect they feel from this government, but it is a decision on the part of your government in the case of this community which hurts the environment. I think they need a better answer than that just because the federal government wouldn't chip in some money that the smaller communities in Saskatchewan had to be overlooked. I just don't think that's a fair reason to give.

Perhaps you could argue that, you know, we can't do as much as we'd like to do, and if the federal government did more we could accomplish more. But just to write off half the province and say, we won't even consider you because you can't undertake a major project of a least \$1 million, I find to be discriminatory and very disheartening for a group of Saskatchewan people that are more committed to this province than you could ever imagine. And I just wonder how you respond to someone like the mayor of Eston and many, many leaders in this province in smaller communities who feel they've been slapped in the face by this government because they were just totally ignored when it came to this program.

Hon. Mr. Hagel: — Well I respond to the mayor of Eston the same way as when I met with him about a year ago, by listening respectfully to the recommendations that he makes and the ideas that he and others have about how we respond to the sports, culture, and recreational needs of the province.

I know you weren't here when I answered some of this before so I'll go through it again. The fact of the matter is that I fully understand that there will be some significant number of sport, culture, and recreational infrastructure programs which cannot be accommodated with the building communities program. When you have needs that are conservatively in the range of \$1 billion or more in total — to state the obvious — \$100 million can't respond to all of that. We know that.

It is for that reason that the points that you make here in this discussion are exactly the points that I make when I go to the national table and speak with other provinces, along with other provinces to the federal government about the importance of developing a long-term, proposed 10-year relationship between the provinces and the federal government in support of municipalities to respond to the very legitimate quality of life needs that the communities have.

You weren't here before, so I just remind you of something that I'm sure you're aware of, that there was a centennial facilities program that provided support up to \$100,000 for smaller projects that was available and made available through the centennial celebration into the year, I guess that would have been into the '05-06 fiscal year.

There was, in addition to that facilities program, there was the Community Share program of \$32 million provided by this government on a per capita basis to all municipalities in the '06 calendar year, in the '06-07 fiscal year that didn't have any strings attached. That was made available to communities to use for projects as they should choose.

The building communities program was designed to do something different from both of those, and that's to add to capacity that would support regional use for long term into the future. And that is made available to communities who will work together to respond to the regional needs into the future in the building communities program.

It's also significant I think that when we . . . After having made the request to the federal government, all of the provinces waited with some anticipation to hear what would happen in the federal budget, and to this date have not been able to get any more clarity than previously existed as to what kinds of federal funds are available and through what kinds of means to municipalities to respond in a regional or other criteria that the federal government might use to support sports, culture, and recreational infrastructure.

The thing that I do know is that here in Saskatchewan, when looking at what it takes to qualify under the CSIF [Canada Strategic Infrastructure Fund] program, which was the federal government program in support of infrastructure — not clear at this stage where it's going right now as it relates to sports, culture, and recreation — but under the CSIF program the threshold is \$25 million. And that is obviously a much, you know, an even greater deterrent in terms of being able to tap into federal funding to meet the objectives.

Clearly if we're going to make progress, we need to be planning just into the distant future, and we need to see four partners. Joining together with the municipalities must be the province, the federal government, and the private sector. That's the only way that we're going to be able to realistically achieve the objectives that we have.

On the minimum, I said earlier — and I say it again here — that I have no vested interest in the building communities program coming to the end of the third year without all of the funds being expended, and that I am open to reconsidering the threshold if it appears that the \$100 million will not be called on by applications from Saskatchewan regional proposals. But as I said earlier as well, to be fair, it looks as though we don't know yet for sure what will come by way of application because we have not reached the deadline, and there will be another one next year.

So now that there is a program, communities and regions are talking with the province in more concrete terms because there's something to talk about. There's a possibility, and it's giving us a better handle on what may very well be possible to

achieve. And at this stage, it looks as though, based on regional applications, that the \$100 million may in fact be called on over the course of the remaining life of the building communities program. Don't know that yet for sure but if we have reason to believe that it needs to lower the threshold in order to make that money available in the most effective long-term way to meet regional sports, culture, and recreational needs then we're certainly willing to look at that.

Mr. Hermanson: — Thank you, Minister Hagel. You really didn't respond to a good portion of the question that I asked. Let me give you an illustration that might perhaps, or an analogy that might perhaps make this clear in all of our minds.

As you no doubt know I have done some farming in my life, and sometimes we have good years, and sometimes we have bad years. Gail and I have raised three children. In a year when it didn't rain and the crops weren't that good, you know, I couldn't say to my kids, well God wasn't so good to us today so I'm only going to look after one of my children. I mean I just couldn't do that as a father because I'm responsible for all three of my children.

And yet I see this provincial government, when it came to this program, they say you know the federal government, they didn't give us enough money, so we're only going to look after a portion of the people of Saskatchewan. I think that . . . and you mentioned that there were other programs, and I know there were other programs in the past, but they were distributed not only in rural and smaller communities but significant and equal or even greater per capita portions were also through other programs, well through other programs were distributed to these other communities as well.

So you just cannot ignore a significant . . . and I say 50 per cent of the people of Saskatchewan were just totally written off because they just simply were not playing in a league where you had to have a million-dollar project before you could even start.

That being said, the 2006-2007 fiscal year is over. It's done and we can't go back there. So my final question to you, since that's water under the bridge: are you going to rectify that — and you've hinted at it a bit — are you going to rectify that problem in the current fiscal year, and are you going to make up for that shortfall that occurred in the 2006-2007 year? Or are you going to repeat what I would say were serious and cruel mistakes of the past fiscal year in this current budget year?

Hon. Mr. Hagel: — Well I don't know that I would use the same rhetoric, Mr. Hermanson, as you would. But I have said, I think quite clearly, that in response to your question as to whether we're willing to reconsider the minimum is that the answer is, willing to reconsider the minimum if it looks as though the project with its current criteria will not be completely called for by regional proposals. By regional proposals. And I point out that the proposals that come forward come forth from a region to support regional sports, culture, recreational activity. And regional applies across the entire province.

The per capita portion of the funding from the building communities program is related to the populations of the

municipalities that support the application including rural municipalities.

So the larger . . . and we've had some discussions with some regional proposals that are looking at several communities banding together to make a proposal therefore using all of their populations combined to look at a infrastructure investment that serves either sports, culture, recreation or a combination of those needs substantially into the future. So that's available for anywhere in the province that is looking at projects that serve regional needs.

So are we willing to reconsider? The answer is yes if it looks as though we are not . . . that the \$100 million is not going to be called for by triggering activity that will be used by regional projects over the course through to the '08-09 fiscal year. And will that meet all of the needs of the province? Clearly it won't. Clearly it won't. I know that. I've said that from the very beginning. I think I was the first one to say that, having pointed out that there have been different projects in the past, as you said, the centennial project, the Community Share program, and now the building communities program. And this is a start. This is a start. It's an important start, but it's a start.

And if I have my way, then this province, joining together with the federal government, will be looking at a concerted plan 10 years into the future that regions and communities will be able to see and anticipate and plan around and make accommodation for because the objective that every community has is the same, is to contribute and support quality of life of its citizens through facility and infrastructure. And that's our objective as it is their objective. And the building communities program meets a portion . . . it responds to a portion of what Saskatchewan is capable of doing to meet those long-term needs, but it doesn't respond to all. And I recognize that and will continue to work to do what we can, including taking that message to the national table to assist in the process. Thank you.

The Chair: — Ms. Draude.

Ms. Draude: — Thank you, Mr. Minister. You've indicated that the only way you're going to change the criteria is if the entire \$100 million will not be spent with the criteria that is in place right now. In other words, you're not going to look at allowing some communities like Eston or like Foam Lake or like Wadena to look at it unless this isn't spent. That's the same as saying, if the sun comes up in the west tomorrow, then things will change. It's not going to happen. We know it. You know that it's going to be spent by the larger centres.

We have a case right now. Two out of the four projects that were given money last year weren't even pre-approved. They had already started their project, and the work was underway. They even had a deficit position before they were given some money. So that sends a message that there is a certain group of people this . . . certain area that the government has decided will receive funding for.

I need you to answer this question. Does that mean that if there's some community or regional centre that's been working on a project, and that's started two or three years ago, can they still go to this government and ask for support?

Hon. Mr. Hagel: — Madam Chair, in response to the hon. member's question, the decision had been made to look at those projects that were over the large threshold. And, as I said earlier, all of whom were actually substantially over the threshold of the \$10 million . . . the large threshold. And there are no other projects that were in that category that were possible to consider.

The hon. member may want to put on the record, Madam Chair, which of the projects she thinks should ought not to have received. I think that would be interesting. If the contention of the Saskatchewan Party is that any of those projects should ought not to have received funding, then I think that would be interesting public information as well.

And so I would ask the hon. member if that's her position, if she would care to share with the committee which of those projects she would not have funded, the Saskatchewan Party would not have approved funding.

Ms. Draude: — Madam Chair, the interesting thing is that this government has decided there was 150 projects that ought not receive funding from this government. That's what happened. There was a decision made by this government — four got it and 150 didn't get it. It's not that who . . . it's not that somebody, that we're saying these guys shouldn't get it. We're saying everybody should of had a equal chance.

Last year the government had \$100 million they were talking about, and they just made a decision that this is the ones that are going to get it, and somebody else didn't. And if we are going to build the province, like I hear the government starting to talk about now about the importance of growth and what we're going to be doing, we need to have infrastructure. And we need to be able to have it in areas where there is potential and that is in areas that are also outside of the larger centres.

To me it's no different than what we had talked about when it comes to schools and necessity and opportunities. There are opportunities in areas, but they're only going to be looked at if people in this day and age have the facilities that they need to move out there. And it's, to us that live in rural Saskatchewan in the smaller areas, we don't see it. This to us, to those of us who are outside of these four centres, are saying okay we don't live there, so we won't be getting anything.

Mr. Minister, can you tell me how much money does the federal government put into any of the facility programs that you've been talking about for youth, culture, and recreation or for culture, recreation, and sports?

Hon. Mr. Hagel: — Thank you, Madam Chair. First of all in response to the hon. Member, there were something in the range of 150 applications. Many of those in fact were responded to but not all, clearly not all. There were three that were large projects that were well in excess of the \$10 million threshold, and they were funded.

The federal government in terms of funding, I don't have a list. What I do know is that until this last federal budget there were two ways of receiving federal funding for sports, culture, and recreation facilities. One was the MRIF [Municipal Rural Infrastructure Fund] program, and the other was the CSIF

program. Those were the two ways of doing it. The MRIF program, if I remember correctly, brought money in the range of about 25 per cent/25 per cent federal/provincial, and I think there were a small number in the province that fell within that criteria. We'll check and I'll provide that information to the committee.

Under the CSIF program the federal threshold is \$25 million and to the best of my knowledge . . . We'll have to check and see if there were any Saskatchewan projects that met the federal government's threshold of \$25 million. I simply don't know.

But again I just do not accept as legitimate the hon. member's statement that all communities are . . . that the building communities program makes it impossible for all other communities outside the big cities to apply. In fact I know as a matter of fact that there are some, some plans being considered that don't involve any of the big cities. So I know that as a matter of fact.

But it's an easy thing to sit in opposition and criticize. The fact that you've only got \$100 million — the highest per capita in the country — but you don't have \$1 billion, and you should have 1 billion because 1 billion would provide the answers to all the questions. Well if pigs had wings, then they would fly, but the fact of the matter is that's not the reality.

And I think if the criticism is that those large projects based out of Swift Current, Lloydminster, and Yorkton should ought not to have received building communities program funding, then I think the public record would be interested to know which ones of those . . . Is it all three? Is it all three that should ought not to have received funding? If that's the criticism, fair enough. If we were going to have a debate, I've described what the government's criteria is and the rationale for the decision. And if it's not the right one, then what is the right one? And I would happily hear what is the position. Which of those should ought not to have received funding?

Ms. Draude: — I think we could get into that debate, but it will probably will happen in a bigger picture when the election is called, and we'll all be happy to talk about it.

At the moment we are . . . the reality is I'm sitting on this side of the House, and you're sitting on that side of the House, and we'll have to answer questions and ask questions the way they are.

Hon. Mr. Hagel: — I think Swift Current and Lloydminster and Yorkton would be interested in knowing the answer to the position of the Saskatchewan Party, if that's the view. Is that the view?

Ms. Draude: — I think that Swift Current, Lloydminster, and Yorkton would also be saying you know what, there are facilities . . . there are other towns and there are other people as well.

Hon. Mr. Hagel: — Absolutely.

Ms. Draude: — So that's probably . . . They know that the decision was made by this government to fund these centres. That's what they know. And that's what we are all living with

at the moment.

So my question to you is, when is the application deadline for this year? What day do communities have to have their applications in for approval for the 2007-2008 budget?

Hon. Mr. Hagel: — The applications for regional sustainable culture, youth, and . . . sorry, sports, culture, and recreation facility grants through the building communities program is April 30 of this year.

Ms. Draude: — Thank you. And is . . . I would imagine that your government is looking at some of the larger projects. Again I believe there is 40 million that will be spent this year. Is that correct?

Hon. Mr. Hagel: — In the budget that is before us under review by the committee, there is \$40 million in this fiscal year. The funds not spent from the '06-07, \$20 million available, will be carried forward and available through the '08-09 fiscal year. So it's \$100 million project over the three years, with a maximum of 20 available in the first year, all of which was not expended. So that's carried forward.

In addition to the 14.62 million that we've been discussing, there was another \$2 million which was provided to northern sports, culture, and recreation organization to . . . sorry, the Northern Sport, Culture and Recreation District to assist with northern communities applications because of the special challenges that northern communities have. So there will be \$3.38 million that will be carried forward from the '06-07 fiscal year.

Ms. Draude: — Who within your department makes the decision on which applications will be given money this year?

Hon. Mr. Hagel: — The programs will be assessed according to the advertised criteria and they will then be adjudicated and recommended by a couple of officials from each of Culture, Youth and Recreation as well as Government Relations.

Ms. Draude: — So there will be four individuals that will make the decision. How quickly will the decisions be made?

Hon. Mr. Hagel: — The committees will be making their recommendations and the announcements would be intended to be completed by . . . end of July? The announcements would be made by the end of July of this year. And then the deadlines for the next year would be exactly the same — April 30 deadline, July 30 announcements at the latest. It is understood that in making the applications that applicants are anxious in most cases, probably in all cases, to get on with — if in fact they haven't already begun — their work. And so the intention will be to make the announcements as soon as practically possible but in no case no later than the end of July.

Ms. Draude: — So if the decisions are going to be looked at or recommendations will be put forward at the end of April, is there any hope that it will be made before the end of July? The building season in Saskatchewan is short and I would imagine that anybody that is looking at a project of over \$1 million or over \$10 million, depending on which project criteria they're looking at, would need to get started. So is there, will there be

any push to be able to make this known sooner to the people who are lucky enough to receive the money?

Hon. Mr. Hagel: — The decisions would be announced as soon as practically possible. And the objective would be, well to do exactly that, as soon as practically possible. But the commitment is no later than the end of July, exactly for those reasons. And it's quite likely that not all decisions would be made at the same time. It's hard to say without applications having come in yet because the assessments have to be made as to the sustainability of the business plan and the . . . you know, you have to be checking the, or confirming I'm sure in some cases, the accuracy of the information provided and so on so as to make a fair and equitable kind of decision. But the intention would be to make decisions as quick as practically possible and announced and enable them to get on with it because they will want to take advantage of the building season here in Saskatchewan.

Ms. Draude: — Does practically possible mean when there is a photo op? What does practically possible mean?

Hon. Mr. Hagel: — Practically possible means practically possible. It means that when it is, when the information is confirmed and the decision can, a sound decision can be reached, then it will be and we'll proceed from there.

My commitment is to all of the applicants that will come forward by the 30th of this month that they will have an answer as . . . well by the end of July and sooner than that if we possibly can. And I think in all cases I would hope that it would be able to do it sooner than that, but under no circumstance will it be delayed longer than July 30.

Ms. Draude: — Thank you.

The Chair: — Mr. Elhard.

Mr. Elhard: — Mr. Minister, we have just a few minutes extra because of some complications with the scheduling, but I want to go back just briefly to the concept of regional projects. You know, I think there is some merit in the concept of a regional facility if you have a concentration of population within an accessible distance of that facility. But the idea of a regional facility in parts of the province, particularly the one I represent right now, is very hard to justify. The regional recreational facility is no more appealing than the regional school that school amalgamation has brought about in the Southwest.

For the community of Swift Current, almost any community of any size that has taken its responsibility seriously recreationally, they've got their own arena, their own sporting complex. If they were 30 miles or more distant from the city of Swift Current, they've got their own facilities, and many of those communities are struggling to keep them viable.

And in the instance of Shaunavon, they're undertaking a seven and a half million dollar project. So for the decision to be made to grant, retroactively, money to the Swift Current project and ignore the Shaunavon project completely, was really salt in the wound of that community, especially since they've spent years and years fundraising and now have some \$4 million in place of their own money through outright fundraising or promises of

funding.

So, Mr. Minister, I think that like my colleagues have indicated, the criteria is the problem, not the particular project, but the after-the-fact funding of these projects that really ruled out the potential or the opportunity for other projects in other communities to participate. And I think if there's any hurt or disappointment with the program, it's not in how much money is available, it's in the inequity of availability. And I think that the criteria going forward really needs to address those particular issues more so than they certainly have in the past.

And I think the comments you made tonight don't give most communities much assurance that there's going to be significant change going forward. So I think seeing that we're 5 minutes past the clock, if the minister would like to respond that's fine; if not we'll move on to another item.

Hon. Mr. Hagel: — Well thank you for the question. I won't belabour repeating what I've already said. And you've been here for the evening, so you're asking your question understanding what's been said and I don't feel an obligation to do that in the interest of clarity in response to your question.

Let me say simply two things. One is that I just want to repeat that it is my commitment that the total \$100 million of the building communities program will be transferred from the province to municipalities and regional projects by the end of the three years.

And we have announced a program with criteria. We reasonably have to give it a chance to work. Because there are communities, Shaunavon included, which are looking at that and saying, okay we've got this vision of what we're wanting to do and so with those criteria, how can that work for us? And so you have to give . . . It's fair to criticize the criteria. If you're going to criticize, I would argue it's also fair then to propose an alternative. But fair enough. But the criteria are there and regions have to have a chance to work together with it.

Having said that, I am familiar with the Shaunavon vision and I've met with the mayor from Shaunavon who has shared the vision. It's an exciting vision. It is certainly clearly within the realm of sports, culture, and recreation — heritage, actually. And we have had department officials working together with Shaunavon officials to look at what kinds of possibilities there are. The objective is, as best as we can, to make the building communities program work and to achieve its objectives by working in collaboration with not only specific communities but with regions, communities in a region.

And that's certainly the approach that we've taken in dealing with Shaunavon as well as a host of others around the province, many of whom — Shaunavon's a case in point — are not large cities but who can see that, when their vision includes a larger project that has the ability to respond to needs within a region for decades into the future, that they can see the possibility of working for them. And that's the approach the department will continue to take, including with the project based out of Shaunavon in your own constituency.

Mr. Elhard: — Thank you, Mr. Minister, for that assurance. I appreciate the willingness of the department to work with the

Shaunavon project proponents. I'm in pretty constant contact with them and I'll be monitoring the progress of their application as I have with the T.rex Centre over the years. We came through there — thank you.

Hon. Mr. Hagel: — You're welcome.

Mr. Elhard: — And we'll maybe pursue that topic at another time. I'd like to thank the minister and his officials for giving us this hour and 40 minutes. Some of the discussion was pretty good. Some of it was a little disappointing, but I guess that's the nature of these exchanges. But thank you very much for your attendance here tonight.

Ms. Draude: — I'd like to thank the minister and his officials as well.

Hon. Mr. Hagel: — Thank you. Thanks to Madam Chair, to the members of the committee for their questions, and for a little bit of debate and the potential for more debate. And we'll look forward to further deliberations and considerations. And thanks very much.

The Chair: — Thank you. We'll just take a few minutes to bring in the next group, so if people want to refresh their coffee cups and whatever . . .

General Revenue Fund Corrections and Public Safety Vote 73

Subvote (CP01)

The Chair: — Welcome to the minister and his officials. The next item up for discussion in front of the committee is the estimates for Corrections and Public Safety, vote 73, on page 47 of your budget book. If the minister would like to introduce his officials, and if there's anything you want to say before we begin questioning, please do so.

Hon. Mr. McCall: — Thank you very much, Madam Chair. I'm joined this evening by Terry Lang, deputy minister; Carol Fiedelleck, director community corrections; Mae Boa — how am I doing with the microphone here? Okay, very good — Mae Boa, executive director, management services, at my right; Bob Kary, executive director, young offender programs; Tom Young, executive director, protection and emergency services; Brian Krasiun, executive director, licensing and inspections; Barry Sockett, director, human resources; and Sharon Wall, acting executive assistant to the deputy minister.

Madam Chair, I have some brief opening remarks and then we can get into the main body of the estimates. I guess before I get into those though, there was at supplementary estimates there was some questions to which we provided undertakings to provide further information. I'd like to table those with the committee now. We still have one question that we're tracking down a bit more information on, but two of the three questions are answered and we'll await the opposition's response to that. But with that, I would so table with the committee, Madam Chair.

Corrections and Public Safety's mandate is to provide safe

communities by delivering effective programs for individuals in conflict with the law, through emergency planning and communication, through monitoring of building standards, through delivery of fire prevention and disaster assistance programs, and through licensing and inspection services. The department's budget supports this direction.

The department's strategic plan contains a number of goals and objectives which are reported on annually. They are multi-year and reflect community building capacity, effective correctional program interventions, and development of emergency preparedness and safety standards.

As well because CPS [Corrections and Public Safety] is largely an operational department with a large staff complement, the department's goals and objectives also focus on safe, healthy, and respectful workplaces.

I can illustrate for you the department's primary activities with some key statistics. In 2006-2007, the department supervised an average of 1,354 adults in custody programs and 5,960 adult offenders in community correctional programs.

In 2006-07, CPS supervised an average of 221 youth in custody programs and 2,011 young offenders in the community.

In 2006-07, the department completed a total of 14,297 inspections on boilers, pressure vessels, elevating devices, and amusement rides.

Over the spring and summer of 2006, 65 Saskatchewan communities were designated as being eligible for disaster assistance, generating more than 660 claims in the 2006-2007 under the provincial disaster assistance program.

For 2007-2008, the overall budget for the department will increase by \$23.784 million or 16.2 per cent to \$170.397 million. The department's full-time equivalents or FTEs will increase by 38.8 to 1,733.5 FTEs. The majority of the increase or \$12.186 million is for capital funding which includes \$11.939 million for year 3 of the capital construction at the Regina Provincial Correctional Centre; \$135,000 for small capital projects and custody facilities; \$112,000 for the automated adult corrections legacy case management system.

Increases for programs and service funding include \$570,000 to expand the community connections model which provides wrap-around services to high-risk youth exiting custody, many of whom will be involved in gangs; \$127,000 for the coordinator of the Saskatoon gang strategy and an evaluation of the strategy.

An amount of \$458,000 to enhance targeted initiatives. This allocation will provide resources to expand existing crime reduction initiatives as well as to enhance those therapeutic court services dealing with domestic violence. Provision of \$966,000 under the violence reduction strategy; \$480,000 to provide programming for high-risk youth offenders in the community; and \$486,000 for a program that supports employment attachment for offenders. Research has shown that programs providing meaningful employment and community support reduce the likelihood of reoffending.

An allocation of \$300,000 for helping to build emergency management capacity within First Nations communities to support preparedness for their communities' front-line response in emergency situations. An additional \$205,000 will be used for search and rescue training for emergency responders to expand their ability to respond effectively to a wider range of emergency situations; \$450,000 to licensing and inspections for an on-demand inspection service in response to calls from industry whose needs are expanding with the growth in Saskatchewan's economy.

Of the remaining increase, \$7.598 million is to provide for the cost of the collective agreement and other salary adjustments; \$1.729 million has been allocated to inmate mix and count management in adult correctional facilities; and \$217,000 goes to community-based organizations representing the 3 per cent increase for CBOs [community-based organization] announced in the November 2005 Throne Speech.

This budget enables Corrections and Public Safety to advance programming aimed at working in partnership with local and First Nations communities, with industry, and with individuals and other stakeholders to achieve the vision of safer Saskatchewan communities.

With that, Madam Chair, I'd bring my opening remarks to a conclusion and welcome any questions or comments from the committee members.

The Chair: — Ms. Draude.

Ms. Draude: — Thank you very much. Thank you, Mr. Minister. I'd just like to touch on one area that — and I imagine you know what I want to talk about — and that's the provincial disaster assistance program. I'm looking at the budget for this year and it looks like it's 550,000 from last year and the same amount for this year. Is that exactly how much was spent last year?

Hon. Mr. McCall: — In terms of expenditures what we're trying to do is fund a baseline to bring the operations in line with what job is at hand. In terms of managing the claims that are made on the provincial disaster assistance program, we have had an undertaking in past that's been lived up to around the use of special warrant as the amount of claims provide. So we think that we've ramped up the operational side of PDAP [provincial disaster assistance program]. We can certainly get into the work that's being done there.

There's some outstanding work that reflects the fact that over the past two years there's been an exceptional amount of activity in terms of disasters in the province, which has been almost equal to the previous 30 years of activity in the PDAP program. But in terms of the basic operations of PDAP, we've staffed up from one FTE to 13. We've revamped the database. We revamped the process, and we're slowly but surely getting through that backlog of cases. But perhaps I'll pause there and if you're looking for further detail on a specific matter on PDAP.

Ms. Draude: — Thank you. I listened with interest through opening remarks and you said there was 660 applications that were received. Does that include, is that all the applications

from farmers, from the people in the city of Melville when there was a flood, every application that was received?

Hon. Mr. McCall: — I believe so.

Ms. Draude: — And can you tell me how much money was actually either sent or budgeted to be given to fulfill the obligations under these 660 applications?

Hon. Mr. McCall: — Just one moment. In 2006-2007 there was \$8.8 million allocated both for disasters arising in 2006-2007 and for any additional disaster applications that may have arisen out of 2005-2006.

Ms. Draude: — How much of that is provincial money and how much is federal?

Hon. Mr. McCall: — In the way that the program is financed, all that is provincial, but we operate in the guidelines set out by the disaster financial assistance arrangement. So there's a partial reimbursement that's made by the feds of funds that the province pays out, which is why we have to pay attention to what the guidelines for PDAP are and that they align with the guidelines set out under the DFAA [disaster financial assistance arrangements]. But the monies that are allocated from the province are from the province, but there's a possibility for recouping some of those monies from the feds down the line.

Ms. Draude: — So how much do we expect to recoup from the feds?

Mr. Young: — It goes on a sliding scale. The first \$1 million the province pays itself or we pay it fully. The next 1 to \$3 million is on a cost-share basis with the federal government. And it goes on from 3 to \$5 million and then 5 to, you know, plus \$5 million. So when each of those thresholds are reached, the percentage of the provincial responsibility versus federal responsibility, our responsibility goes down and the federal responsibility goes up.

Ms. Draude: — Can you tell me how much of it then are you expecting back from the feds?

Mr. Young: — I can't say for sure just right now because we don't know the full extent of all of the claims and how the federal government is going to treat each of the events. It's supposed to be on an event-by-event basis. In 2005 we presented a proposal for the federal government to consider all of the events related to flooding that year that were tied to the Saskatchewan River system as one event and we were successful in doing that. And that saved the province, I think in the order . . . I'm not entirely sure, but I think it saved the province in the order of about \$4 million to recoup that. And we'll do the same again for 2006, and if we are faced with the same circumstances in 2007 we'll approach it the same way.

Ms. Draude: — Well that's wonderful if you were able to get extra money from the federal government and I understand that means that they looked at the flooding as one event instead of two and in some cases three.

Mr. Young: — Yes.

Ms. Draude: — Is there any advantage, will there be any benefit to the people who have applied then because of this?

Mr. Young: — Not so much a benefit to them per se that the amount of dollars that they will get back is prescribed through the provincial disaster assistance program. What we get back and our arrangement with the federal government on how those dollars are kind of divided up between the federal and provincial government is a matter on the disaster financial assistance arrangement that we have with the federal government.

Ms. Draude: — So then the . . .

Hon. Mr. McCall: — And if I could add to that, there's an undertaking that's been made by the provincial government in terms of responding, in a similar fashion, the province responding to the individual communities where they have a disaster that's arguably linked in terms of the nature. There's work that's ongoing and that should be producing some results in the next short while in terms of fulfilling that undertaking that's been made to communities that present a very reasonable case that they're being unduly, they're going through undue hardship in terms of, you know, flood after flood, which of course tends to get rolling if you have saturated ground and the like. But that undertaking is outstanding and will be fulfilled.

Ms. Draude: — Okay, I guess I need to feel a little more specific. You're saying the undertaking will be fulfilled. Does that mean that the province is working with our local areas to ensure that or to see if they can work out an arrangement? If the province gets more money back, they'll be able to provide more money back to individuals of the communities. Is that what you're saying?

Hon. Mr. McCall: — We're working with Government Relations to ensure that we've got a response that is durable, that is adaptable, and that makes recognition of communities that have been presented with a multiple of disasters that are linked in nature.

Ms. Draude: — Can you be more specific? Tell me what you mean.

Hon. Mr. McCall: — I guess for not having the . . . And I guess this is the problem of talking about things that you haven't concluded the work on. But I think we are fairly close to concluding the work on making recognition of what are reasonably argued linked disasters. So I can't say anything more right now but I bring it up to say that we do have an outstanding undertaking. There's work that's been undertaken that should be reaching conclusion fairly soon, and perhaps we can talk about it at future estimates, but at this point I can't say much more than that.

Ms. Draude: — Well I thank you because it sounds like there's a little rainbow after the storm here, so I would hope that maybe some of the communities will know. And if that's the case then you will undertake to give the information if not to me, to the community as quickly as possible?

Hon. Mr. McCall: — Well I guess I'd like to certainly pay a compliment to Tom Young and the folks at PDAP and in

production work in the public safety side of CPS. They have done a lot of work to work with both individual communities, individuals to make sure that the forms that are required to be filled out are being filled out properly and the information is flowing, and to make sure that we're providing this necessary and needed service in the face of communities responding to disasters and sorting their way through after.

Ms. Draude: — Well I'd also to thank him if he's doing extra work that's going to be beneficial to the province and to communities. Everybody will benefit.

I just had one other question because I know my colleagues would like to ask questions. The one issue that we did have of course was incidents and being able to link them. And if you've been successful in getting the federal government to see the necessity in changing that criteria, have you also been successful in getting them to look at what expenditures are considered eligible?

And by that I mean if an RM [rural municipality] used their own equipment, they were only allowed to use I think it was overtime hours and actual fuel and a few other tangibles. And an example of that is the actual cost for flooding in the RM of Porcupine. I believe it was about \$260,000 and what they were eligible for because of the criteria set up under the formula — I'm not blaming anybody but knowing that it is what it is — they were eligible for less than \$60,000. Is that something that you are also working on the feds to come up with a more reasonable amount of money?

Hon. Mr. McCall: — I guess before Tom provides a bit more detail, we have had some success and again, this is the good work of Tom and the folks he's got in his shop working with the feds to get recognition of things like the current agricultural practice. There is a change made to the way that bales being stored were accounted for, you know, current agricultural practice of course being that you leave the round bales in the field and that's how you store them. There hadn't been recognition of that under the guidelines. It's something that certainly was registered loud and clear by communities. And certainly Tom working and his staff working with the feds were able to get recognition of that reality and to make a tangible benefit for the people affected by that.

It's an ongoing thing with the feds and there is work ongoing in terms of the question of proper reimbursement on the use of RM equipment, the oil, lubricant, gas, those kind of rates, and that work is still going on. We have had some progress and some success, but I guess there is work on that file that's ongoing, and I guess I'll turn it over to Tom to more fully describe that endeavour.

Mr. Young: — Yes. Thank you for the question. The issue on the equipment rates is an issue that we have heard about. We attended some meetings in Foam Lake and at SARM [Saskatchewan Association of Rural Municipalities] and certainly an issue that we're sensitive about as well.

What we have proposed to a few of the municipalities is to work with them on what exactly their costs are in those particular situations and then to determine if we can first of all provide something that we don't necessarily need to talk to the

federal government about. If we can just handle it ourselves, we will do that.

If it requires some change or some policy issue with the federal government, then we'll go in that direction. So we have indicated to them that we're quite willing to sit down and do a little bit of research with them, find out what the actual costs are and then what we're reimbursing them on and is it adequate or not, and then we'll determine from there where the issue lies.

Ms. Draude: — Thank you very much. The only question I have left is when it came to the issue of bales — and I know that I've written to you on two different circumstances — were the people who were originally denied, were they notified that there has been a change and that they will actually receive funding?

Hon. Mr. McCall: — It's my understanding that they were but, Tom, if you could acquaint us with the exact procedure?

Mr. Young: — Yes. What I've asked the staff to do is to go through the files. They were already in the process starting to do that, so they didn't really need me to ask them to do that. But they went back through those files, and I'm not sure where they're at in terms of the exact status of that. I can't say that every single person has been contacted, but I know that that process is in gear.

Ms. Draude: — Thank you very much. I appreciate it.

The Chair: — Mr. Elhard.

Mr. Elhard: — Thank you, Madam Chair. Mr. Minister, in your opening comments tonight you indicated that there had been a considerable greater number of claims as a result of natural occurrences and damage that resulted in the last couple of years. And if I recall, there was a considerable backlog of claim processing that resulted from the sheer number of claims that came in during that time frame.

I believe it's the summer of 2005 when we had a tornado go through the communities of Burstall and Mendham and up into Leader. There were a number of claims I think from that community originating as a result of that storm, but one or two in particular are still outstanding. I'm wondering if the minister or his officials can give us an indication of how soon we'll see some of that backlog addressed and redressed, and whether there is an indication of the applications for compensation being completed in the near future.

Mr. Young: — We went into the year 2006 with somewhere in the order of about 1,700 backlog. In other words, there's a process there where adjusters go out and they do their work and then they provide their files to us and we have to scrutinize those files. And we're just coming out of 2006-2007 down with about 107 backlog. So we've addressed 95, well over 95 per cent of the backlog from 2005. We still have some in 2006 — or 2007, pardon me. Let's see which year am I in: 2006, pardon me — the flooding that occurred there to still deal with.

Now the reference to the situation that you're talking about, I don't know the specifics of the detail of those claims, but I do know that we've . . . In that 2005 there's been considerable

number of claims in that part of the province that have been, payments have been issued. I think it's in the order of about \$190,000, in that general ballpark.

Hon. Mr. McCall: — Just to provide a little bit more detail to it, in the Southwest there were 74 claims registered in 2005-2006, mostly arising, as you would well know, from the tornado and the different sort of heavy winds activities. But 53 of those claims have had payouts or payments made. Tom is right, there's about, just under \$190,000 has been paid out on those files, but there's about a third more to go. There's approximately \$633,000 of total estimated cost to go.

Now there are a variety of reasons why some of the claims get held up in terms of . . . On the process side, we've tried to make changes to the process to speed the ability of people to get access to payments and interim payments and the like. But sometimes there can be a variety of factors to complicate what should be more or less a straight path between the incident and then resolution. But you look like you've got plenty on your mind there, so I'll shut up and let you say your piece.

Mr. Elhard: — Mr. Minister, I guess the question would be, is it likely that the delay in the completion of these claims is related to complications with the individual claims, the process, or just timing? Maybe their claims came in later than some of the others and that would, I assume, impact the expediency with which the claim could be dealt with.

Hon. Mr. McCall: — I guess well 2005-06 overall there were 2,362 applications; 2004-2005 I believe it was 30. There were 30 applications. So in terms of these people being there before we were able to get staffed up, before we were able to sort of straighten out some of the snags in the process, before we were able to bring on a revised database to ease the process of the applications, there has been a lot of progress made.

But we did start out with a fairly significant backlog. But I guess we're now in a position where we're, we've . . . And again in the 2005-06 claims, approximately 89 per cent of the claimants have received at least partial payment. And again, this isn't much comfort if you're the person in Burstall that hasn't received the payment yet.

But we are now over the past two years, 1,400 claims have been fully processed and completed. And the department is now averaging between 250 and 300 payments being processed per month.

Another complicating factor can be areas of the province experiencing significant economic activity which I'm sure is the case for a number of places in the Southwest being able to access adjusters, people to do the work. So there are a variety of things that can complicate the process overall.

But in terms of the things immediately that are under our control, we think that we have been giving that due care and attention to try and speed up the process and get the cash in the people's hands so they can sort out the aftermath of these disasters.

Mr. Elhard: — Without putting words in the minister's mouth, I think he's saying, be patient. But in case that's not what he's

saying, what I'm going to do after the time together tonight is I'll give the minister the name of the individual so that possibly the department could look into this specific case. I don't know whether it's just timing or if it's a complication or if it's just caught in the flow of paperwork, but I'd like to have an answer for the constituent and I'd appreciate it if you'd look into that.

Hon. Mr. McCall: — Certainly we will, and again it's a situation where the past two and a half years of activity — and this year seems to be shaping up in a similar manner — but the past approximately two years of activity equal the previous 30 years of activity under the PDAP file. But we would very much appreciate to get the precise information so we can make certain that everything that can be done is being done to work this file towards resolution.

Mr. Elhard: — Mr. Minister, if I could change the subject just briefly, but also in an area where there's been some delay. You may recall I wrote a letter to your office, Mr. Minister, in which I was asking about the process and the complications associated with updating manuals, safety manuals for welders, especially independent contracting welders who require the most up-to-date and latest certification for the various companies that contract their services.

I believe at the time, Mr. Minister, you indicated that there was a backlog there. There was some personnel issues; you didn't have enough people to attend to all the needs of the department. And I'm wondering if that has been addressed at this point, and if the backlog of those certificates, welding manual updates has been attended to.

Hon. Mr. McCall: — I guess before we're joined by Brian Krasium, head of licensing and inspections . . . We'll get Brian to provide greater detail, but certainly we have tried to make an effort, and again I thank yourself for . . . Where we can work these things out we're quite happy to do so and we're appreciative of them being brought to our attention so that people are in compliance. But I believe the remedy that was sought in this particular circumstance that we'd had raised with us by yourself in terms of extending the validity of the certification. So we have tried to make, you know, provide expedience that provide that short-term remedy. But to the good work in terms of the longer term, I now turn you over to Brian Krasium.

Mr. Krasium: — Brian Krasium, executive director of licensing and inspections. We have investigated that situation as a result of the letter of concern that you sent to the minister. And we have found that we have been receiving an extreme number of quality control programs. A quality control program is the written document that is submitted to licensing and inspection for certification for performing pressure work. And we have currently in the province of Saskatchewan approximately 222 certificates of authorization out there belonging to approximately 129 companies that are of Saskatchewan address. The remainder of course are from out of province.

Those manuals are submitted to us every three years for recertification and every three years we will review those programs in order to address any change in the practices associated with the type of work they perform.

Normally we try and strive for a backlog of around eight weeks from the time we receive the manual to the time we actually go through the process of reviewing the program and sending feedback back to the client. Most of the time the programs are acceptable and so they do receive that certification before that time period. However there are some instances where there are certain examination, inspection, or responsibility details contained within the manual that do not fit acceptable practices. So at that point we will begin discussions back with the program holder to work on changes in order to obtain a program that is suitable for that type of work.

Mr. Elhard: — So the backlog that we were experiencing as a result of this one instance had more to do with the specific material you were being provided by the applicant as opposed to people within the department to deal with the volume of updates that were being requested for the quality control manual?

Mr. Krasium: — I think there were compounded issues. First of all there was a certain delay in us providing initial feedback back to the submitter of the program. And then the program holder took quite a bit of time before he addressed those concerns that we identified and then sent back a response. And then there was unfortunately a smaller delay again, not as much as the first one but still time again before we issued a second response back to the individual. So all tallied it did seem like there was quite a bit of time from the time of initial submission to the time of final action. But again, there was a lot of back and forth and correspondence.

Mr. Elhard: — You indicated that there is quite a number of individuals that require this kind of certification, some of whom come to the province from outside our jurisdiction. When they come here with this manual, do you have to approve the standards in that manual before they're able to take on contract work or is there some reciprocity with the jurisdiction from which they come?

Mr. Krasium: — Obviously if the company is experienced and they have a program that has been pre-registered, either by our jurisdiction or either by Saskatchewan or another of our neighbouring jurisdictions, then a lot of the problems that may have been present within a manual have already been worked out. So companies who initially submit their manual, who have already had their program approved, say in the province of Alberta or Manitoba, tend to have a more solid manual than the first-time submitters located either in our province or in other ones. So it's just a matter of how experienced the company is when they developed the program, whether it's already been gone through one or more times, and whether they've weeded out all of the potential conflicting problems.

Mr. Elhard: — We went to a system of sort of self-inspection recently as a result of some changes to legislation a year and a half ago or so. And I'm familiar with the process that Alberta underwent in terms of a non-profit, industry-funded organization to look after inspections. Is there that kind of capacity available to these welders in Alberta? And is that something that we could or might look at in Saskatchewan going forward? Or is that a political question?

Hon. Mr. McCall: — Yes.

Mr. Krasium: — What you're referring to is the quality management system of inspections whereby if a company develops a written program and hires licensed and qualified inspectors, then they can perform self-inspections on, performing in-service inspections on equipment they own as well as performing inspections on pressure piping construction that they may perform on the associated equipment. That has been a model that's been in place for over a decade in the province of Alberta. And that is something that we have identified within our new legislation, that has been effective as of January 1, 2007. Now bear in mind that through our legislation we are still the governing body that oversees the quality control programs for approval and we still perform an auditing function on companies that have such a program.

So although the program itself will allow the companies to inspect their own equipment, test their own welders, etc., there's still the overseeing governance of our legislation and of all licensing and inspections.

Mr. Elhard: — We don't have much of a track record of that yet, to ascertain exactly how successful that will be, but I assume we can extrapolate from the experience in Alberta to some extent.

I guess the question was if we were able to do it in that area of the industry, is there a possibility of extending that type of self-inspection to contractors like the gentleman that we're talking about, who is looking for an upgrade of his manual? Is there a capability of that prospect happening?

Mr. Krasium: — Right now we've taken initial steps within the process of recognizing quality management systems of inspection within the province of Saskatchewan. And we currently only extend the privilege of performing self-inspection to owners of pressure equipment. We don't extend that privilege to third parties or contractors.

Mr. Elhard: — The other question that comes to mind was as a result of a long discussion we had on pressure vessels and antique tractors. How's that going? Have we caught up on the backlog of inspections there? Has this last parade season and the upcoming parade season provided opportunities for full use of the existing pressurized and mechanized tractors for the benefit of the parade participants?

Hon. Mr. McCall: — It is indeed coming along, and certainly I first became familiar with the work of Brian Krasium during his star turns during the debates around the boiler and pressure vessel legislation. And actually it was observed, some very interesting discussions around this table, on the whole question of antique boilers and the like. So I'm just very excited to hear him talk even more about it. So anyway, Brian, if you could.

Mr. Krasium: — Thank you. In the 2006-2007, that was our second year of our new program where we refocused our efforts into the antique traction engine, or antique steam engine initiative. Last year we had inspected 28 units. Two of those units failed the hydrostatic test so they were no longer able to be operated. One had some concerns with non-destructive examination and that was performed by the owner. And in addition to 28 of those units that were inspected, there were another seven units over and above that that had been

previously issued a licence to operate, to which last year the owners decided not to provide the inspections or have the inspections done for certification for operation.

Now those seven that did not have the inspections done or the request received on, I don't know the circumstances behind those. I can only assume that the year previous, as it was our centennial year, we did expect a higher-than-usual number of these antique units out there. And so that may account for a significant portion of those seven other units.

We did dedicate a lot of resources to last year's inspection program. Our branch alone spent over \$15,000 inspecting those 28 units, and that includes all the man-hours we put in plus all the travel-related expenses for the team to go around and provide a consistent inspection of all these units. And so we're very pleased that again, you know, we had a season where all of our heritage items like that were able to be operated without incident. And we're continuing on with that program for the '07-08 fiscal year.

Mr. Elhard: — Is there some cost recovery associated with the inspection program? Is there a figure that it costs these clubs or individuals to have the steam vessel certified?

Mr. Kراسيun: — Yes. We charge them \$20 per year, so we made \$560.

Mr. Elhard: — That's not a cost-recovery program. The other question I would have as it relates to this topic is, when you provide an inspection of a pressure vessel like that, the certificate is good for a certain period of time. Does the certificate follow the machine? If the current owner decides to dispose of it by sale or transfer ownership to some other group or organization, does the certificate follow the unit or does the certificate stay with the previous owner?

Mr. Kراسيun: — No, under our legislation the certificate itself is issued to the owner for operation. And so once he loses ownership of that piece of equipment, either through the sale or transfer or otherwise, then the licence to operate is void. And no differently than if he takes the unit out of province, our licence is not valid in any neighbouring provinces.

Mr. Elhard: — So the inspection process isn't simply an inspection for the capacity or the quality of the machine. I'm taking from what you're saying that part of the process is to evaluate the competency of the operator as well. Is that a correct assumption?

Mr. Kراسيun: — Our legislation does have a requirement that the operator of these types of pieces of equipment have a licence. When we perform the inspection, the physical inspection on the units, we do not assess the competency of the operator at that time because these units at that point are static, they're not operating. So we're doing an internal inspection and an external visual inspection. We're doing a hydrostatic test where it's full of water. So at that point in time, we do not do an operational check on the unit nor do we do a competency on the operator.

Mr. Elhard: — In any given year how many new or additional units would you expect to see arrive in Saskatchewan?

Mr. Kراسيun: — We don't have any records on that. I don't have that information available to me at this time. It's very rare that we receive new units. Now we have in the past two to three years, at least the last two years, had a few new ones, and that is because of again our new initiative where we went out and sent the team of two special inspectors across the province to do consistent and thorough inspections. And once they gain the respect of the stakeholders who own this equipment, then they started receiving more contact from people who had not previously registered their equipment.

So I wouldn't believe that they're bringing more pieces of equipment into the province as much as they're learning about the requirements for inspection and notifying us that they do have this equipment in their ownership and they wish to operate it in the public's presence.

Mr. Elhard: — I guess the reason I ask that question is that in my limited experience in this area it seems that the people who get involved with steam engines develop such a love of it. It becomes more than a hobby; it becomes a passion. I see them show up at auction sales all over the place and reading sales bills from the Midwest or eastern United States or even Eastern Canada. So I guess I would have guessed that the purchase of those pieces of equipment from distant places would result in more inspections and more ownership and greater use and that type of thing in the province here.

Mr. Kراسيun: — We have not noticed those trends yet, you know any large influx of new equipment coming into the province.

Mr. Elhard: — Well if I knew anything more about this business I'd ask more questions. And pardon the pun, but this has been a riveting discussion. Thank you, Madam Chair.

Hon. Mr. McCall: — It is always nice to see the member with a full head of steam.

The Chair: — Mr. Toth.

Mr. Toth: — Thank you, Madam Chair. Mr. Minister, and to your officials. I'm just going to pursue the issue of boiler inspection a little further because it's more than antique equipment. We have a lot of boilers used in heating in facilities across the province, and a year or so ago we had a significant number of overdue inspections, and we actually fell quite a ways behind in inspections. And I guess my question to the minister is, where are we in regards to catching up on inspections and moving forward and keeping current?

Hon. Mr. McCall: — Well I guess in the passage of the new legislation as per the previous conversation, there are some measures that have been taken there around quality management that should help the situation overall, but again for the precise detail on this I'll turn this over to Brian Kراسيun.

Mr. Kراسيun: — Thank you. Our overdues, first of all, overdues result because of a number of different circumstances. First of all the most . . . one of the causes that has the hugest impact on our overdues is of course our own internal resources: ensuring that we have enough staff to perform the inspections. We have had some turnover in the past of which we have

rectified that problem, and we now have a full slate of inspectors that are in both in the Regina and Saskatoon office. And we have had that within the past six to seven months. Obviously there was a training period in order to get their qualifications up to an acceptable level before we allow them to do the inspections.

And since that time, looking at our yearly statistics, we started off the year in April with over 1,000 overdue boilers, just a little over 1,000, and it climbed all the way up to approximately 1,600 in the summer months — which is not unusual because we don't traditionally do boiler inspections in the summer when they're not operating — and as of March 31, our overdue boilers is down to less than 800.

Now what we call overdue is not necessarily something to be alarmed with. It is a statistical representation of the inspection frequency that we have established through policy. So what we call overdue is a boiler whose inspection date has lapsed by more than six months. So for example, if we have an inspection on a boiler due today, then it would not come under our overdue list for six months from today.

Now we do manage our overdues in both boilers and pressure vessels, as I've said. And the boiler end of things, we don't inspect boilers traditionally, operational inspections in the summer months. The same goes for pressure vessels; we don't inspect them in the winter months because we don't want to put any unnecessary risk on our staff to go out to some of the remote oil and gas areas in the winter months alone. So we have managed to work on the overdues, and we are getting better as time goes on.

Mr. Toth: — Thank you, Brian. You mentioned a full slate of inspectors. How many is a full slate?

Mr. Krasium: — Right now we currently have 11 field inspectors working in the province of Saskatchewan.

Mr. Toth: — Thank you. Mr. Minister, when we had this discussion a couple years ago, the minister at the time indicated that the department was looking at moving some of the inspections to the private industry. And I'm wondering if there's been any further movement in that area or whether all inspections still remain under the parameters of Corrections and Public Safety.

Hon. Mr. McCall: — I believe without a specific reference to what statement was made by which minister, again under the new legislation, the quality management provisions will allow a greater measure of self-inspection and self-regulation — albeit under the control, the overall control of the Department of Corrections and Public Safety. So I guess . . . Brian of course has much more detail to add on that. But in terms of having a new component in the system and greater opportunity for industry participation and self-regulation, within a context of overall authority being retained by the Department of Corrections and Public Safety, that is the new practice under the new legislation. But, Brian?

Mr. Krasium: — So as I've stated before, our quality management system of inspections allows the owner of pressure equipment to perform self-inspections provided they have a

licensed pressure equipment inspector doing that.

Currently within our licensed inventory we have approximately 25 companies in the oil, gas, and energy sector that account for almost 40 per cent of our licensed inventory. Now a lot of those companies have already been performing inspections on the equipment they own; however we have not been able to recognize those inspections that have been done because we have not recognized a quality management system in the past in order to use that inspection as meeting our own in-service interval inspections.

So as the number of quality management system program holders increase through time, then we will see a lot of the inspections that we would . . . the in-service inspections that we would traditionally do become the responsibility of the owner to perform. And consequently our overdue inspections in those areas would be reduced as well because that would be . . . again those inspections would be performed by the owner.

Mr. Toth: — Thank you. When we talk of the use of boilers in the commercial and public sector, a lot of these boilers are in hospitals. Some are in government buildings, other buildings. As we move into new construction, in the new construction, are we moving away from hot-water heat and boilers? Or do we continue to use that form of heat generation?

Mr. Krasium: — Well hot-water heating boilers are still the most economical source of space heating when you have a large square footage to heat. Forced air systems don't . . . aren't very efficient when your space, when your square footage becomes excessive. So I don't foresee there ever being an end to the utilization of hot-water heating boilers.

Mr. Toth: — When we talk about heat and efficiency has, say, the department looked at all at ground sourced heat? I noticed . . . I think I was reading an article today where there's even a subsidy for especially . . . And in this case we're talking homeowners in regards to using geothermal heat. And I'm wondering if the province and some of the larger organizations and government have looked at geothermal as an alternate source and whether or not that is a viable option.

Hon. Mr. McCall: — I guess the short answer is certainly government wide we are looking at all manner of ways to make our footprint smaller, more compact, looking at energy efficiency system wide, certainly. We're accompanied by the member from Greystone here, and he's done a tremendous amount of work on conservation and smart, sustainable energy use and what we can do government wide. In terms of how that's put into practice, it might be a question more appropriately lodged with the Department of Saskatchewan Property Management or with the Department of the Environment or perhaps Industry and Resources.

But certainly as industry themselves make these decisions about how they're going to move their capital construction forward and what sort of aspects that has, we certainly try to respond appropriately with the resources around appropriate inspections. But I guess I'd leave it at that, and perhaps the member's got further clarification on the question.

Mr. Toth: — Well actually, Mr. Minister, I'm going to move

off of that back to disaster relief. I caught with interest a comment earlier to one of my colleague's questions. The word scrutinizing claims was brought forward and the fact that they're still settling, there are some claims still outstanding from weather-related disasters even going back a year and a half to two years. And the reason the word scrutinize caught my attention was while CAIS [Canadian agricultural income stabilization] is an agriculture program and is run by the federal government, one of the things I've found in dealing with concerns raised by producers regarding CAIS is, as you do a follow-up and you ask well, where may this producer's file be, and the response will come back well it's in a pile on somebody's desk. You call follow up maybe two weeks to a month later. Well it's moved from that desk to somebody else's file. And it seems like every time you hit a different individual going through the claim, the next person always seemed to find something wrong with it and sent it, and the files were going in a vicious circle.

That's where I'm going with this question. When we talk about scrutinizing, what efforts are we making to ensure that we are not just moving paperwork from one desk to the other, but that we're actually making the best effort we can to expedite in a reasonable time these claims and ensure that individuals are actually paid out for what's rightfully coming to them following the disaster?

Hon. Mr. McCall: — I guess my first response would be it's always, I think, in government you try to strike a balance between a process that is at once accountable and is efficient as possible. So again we're very mindful that we've got an accountability to shoulder in terms of the discharge of taxpayer dollars, and at the same time trying to provide as straightforward a service as possible for people that have gone through disasters. And that's why they're there, to make application for funds under this program.

So the desk-to-desk scenario that you described perhaps might have been accurate when we had . . . Again in terms of the things that we've done to try and beef up the response moving from one staff, one FTE, to thirteen. Now your immediate response might be, well that's more desks for the claim to go from desk to desk to desk on. But we have streamlined the process, and we have also made an investment in the database by which we manage the process. And it's not just . . . All this change to process and to resources is to the point of making sure that we do have that accountability but that we do speed up our response time to the individuals making claim.

Tom, I'm sure, would have more to add to the response, but I'll leave that to him.

Mr. Young: — Yes, I think it was myself or the minister used the term scrutinize. It's basically one person that looks at the file primarily. It may go to another person just to check over briefly and then goes through a very quick process from there on in.

But generally speaking, when you're getting into agricultural claims, they are more complex, and you do get into a number of factors that do need to be checked. But generally speaking, that's done by one staff member or possibly two and so there isn't much of a passing it on from one desk to another going on,

I don't think. Well I know it's not going on in terms of the PDAP program per se.

Hon. Mr. McCall: — If I could, just to put a bit of a number on how the changes are resulting in better performance. In the first month of this year, January 2007, the PDAP staff processed between 250 and 300 payments. And this is approximately four times, four times the average number of payments being processed per month the previous year.

So again it took a while to get ramped up in terms of staff and process, but they have quite measurably beefed up their response. And again, we're starting to chug through that backlog and get the funds into the hands of the claimants.

Mr. Toth: — Thank you, Mr. Minister, and to your officials. I realize that as the minister indicated, there's a responsibility of government to ensure — and department — to ensure taxpayers' dollars are spent wisely. And as you indicated to my colleague, the member from Kelvington-Wadena as well, some of the disastrous situations we had in the past two years have been probably . . . or situations that we really haven't had before. And they raised a lot of questions, and especially when you get dealing with agriculture — whether it's equipment that get caught in the field and then you start looking at problems with equipment, problems with the motors, and how farm machinery's working, whether or not it's even able to run again without substantial costs or bail. So no doubt there was probably a fairly steep learning curve in view of some of the issues that were raised.

So we can only say that any effort and any method that is put into practice to ensure that to the . . . and to expedite the conclusion of these claims and have the appropriate resources sent out to the claimants is certainly welcome. And want to just say thank you to your officials for the work they've been doing and no doubt like — I'm not sure about you, Mr. Minister, but I know in my life every once in awhile, I'm caught scrambling to deal with an issue — and no doubt department officials do at the same time. And we want to recognize their hard work.

Another question I'd like to raise and we talked a bit about the flooding. We also talked last time about the issue surrounding the fire situation in the North and Cumberland House I think was one raised, Fond-du-Lac and Black Lake, and the evacuation procedures that had to be implemented as a result of the situations that arose. And in front of me I noticed maybe a number of individuals may have and department officials may have even seen the paper today where it talks about, and Red Earth is preparing for a flood.

And it's not just the Red Earth First Nation. There's a significant area in the Northeast that if, as we've seen today and we get two or three more days like this with this snowfall that's still accumulated up there, that it's going to create some significant impact as we are now seeing even south of Watrous where, I forget the number of the highway, currently is out of service because of a washout.

Given the facts of what happened last year and the year before in regards to the forest fire situation, the potential and the fighting issues that have arisen, what steps has the department taken to address these types of situations in coordinating

emergency efforts to ensure that the well-being of individuals and the safety of individuals is dealt with and met as quickly as possible?

Hon. Mr. McCall: — Well I guess what I'd want to say first off and we'll get the precise detail but it's, what I'm progressively, what I appreciate in the department and the people that we work through throughout the public safety community, the emergency preparedness community, is just the dedication of people at the local level in terms of coming out to respond to, be it a flood or a fire or any manner of natural disaster.

And a week and a half ago I had the pleasure of attending the luncheon at the Saskatchewan Emergency Planners Association. And it's an organization that's been around for a number of years, but they had their largest conference to date with upwards of 300 people in attendance. And those were people there perhaps who had been through a critical incident, be it the tragic fires that swept through downtown Foam Lake or hazardous materials incidents around Estevan. The folks from Fond-du-Lac and Stony were there. The people from Cumberland were there in terms of relating their experience around the flood that their community went through.

So it was remarkable that these people had been through that experience. And rather commendably, what they wanted to do was improve their skills and improve their knowledge and improve their ability to respond to disasters presenting themselves in their communities, and to do an even better job of getting a handle on that larger response to a disaster. And I guess Corrections and Public Safety has been working in conjunction with bodies like the Saskatchewan Emergency Planners Association, and in the past year they managed to train double the individuals to be able to fit into an evacuation plan or an emergency containment plan. And perhaps I'll get Tom to respond at greater length on the kind of work that we're doing.

There are also line items in this budget that will improve the capacity of communities to respond to disasters and to large emergencies. But to refer specifically to the incidents that you talked about with the flooding in this season, I know that Corrections and Public Safety officials have been meeting with Red Earth — the people of Red Earth, the band and council — since January, I believe. Pardon me, February. And have been meeting right throughout the region that we feel is at most risk as we head into the flooding season.

And the member is quite right. This week is a very critical time in terms of the spring melt and what might happen in places like the Carrot River Valley and Red Earth. Red Earth arguably stands to be the worst hit in terms of flooding.

And I guess the thing that I find encouraging and reassuring is the immense amount of work that the community has done in partnership with not just Public Safety officials, but Sask Watershed Authority officials, others that are trying to get ahead of this flood. Myself, Minister Van Mulligen of Government Relations, President Marit from SARM and President Earle from SUMA [Saskatchewan Urban Municipalities Association] were up in the northeast region, and we went to the emergency operations centre that's been set up in Nipawin this Saturday.

From there we went to Red Earth to investigate the preparations they've made there. We were joined by officials from the Prince Albert Grand Council that have been intricately involved in the preparations that are being made on Red Earth, and the chief and council are doing a tremendous job there.

They've done a lot of work in terms of, you know, 10,000 sand bags deployed throughout the community with more to come. Some work in terms of diking, in making berms, and it's, you know, they went through a hard, hard experience last year as a community. And again to the kind of reference I've made to the emergency planning association, they've really learned the lessons of that and I think will make an even better response to what is a terrible situation in terms of an impending flood.

So it was at once daunting to see the kind of challenge that they're facing, but quite encouraging to see the way that they're rising to meet the challenge. And again, these are very, these are the critical days in front of us. This week will tell the tale as to what the extent of the flooding will be.

So Corrections and Public Safety is intricately involved with the emergency operations centre that has been set up in Nipawin. There has been a tremendous amount of proactive work done. And I guess with this I'd turn it over to Tom to add to the description of the work that has been done with regards to this specific circumstance, but perhaps to provide more general detail as to the work we're doing with communities around the province to respond to emergencies.

Mr. Young: — Thank you. In terms of our support, we spoke about disaster assistance. That's the recovery side of things. In addition to that, if you start to back up before the event occurs, just prior to recovery there is a response and we provide support through our — and we're currently doing that right now — through our regional emergency operations centre that we've located in Nipawin. And with that kind of support, what we do is we talk to municipalities, we monitor the situation in the area, and we determine if there is additional support that they may require given a set of circumstances that they may face. And when they're in a response mode, they will often call upon our resources or provincial resources.

Some of the things in the response area that we have addressed: we do currently now have looked at our internal operations and all the resources that we have available to us. And we have deployed some fire prevention officers in the area to assist our emergency management team as well to look at these communities to determine what public safety issues there are and what kind of support they need from the province.

We've also in our planning — and now getting a step closer, I guess, or going backwards from response back to preparation and planning — what we have done, as the minister had indicated, is we held a series of meetings with the Saskatchewan Watershed Authority in that general area the week of March 19. And we invited several hundred municipalities to those information sessions. At those sessions what was talked about was the Watershed Authority gave their prognosis as to what the water content was in terms of the snow and all of the other factors and circumstances that go into predicting what may happen. And they gave their best sense of what the prospects or potential for flooding was going to be.

On our side what we did is we provided information to municipalities on what they might be able to do to be better prepared and also to some messages that they may provide to individual homeowners or families what to do to be better prepared.

And prior to that what we did do — and we saw the fruits of this a little bit in the Red Earth situation — is we engaged the community of Red Earth right after last year's floods. And we had a few discussions and meetings with them and the Prince Albert Grand Council, talking about what they might be able to do prior to this year. And we're very, very pleased to see that they had designated a flood coordinator in the community, and a committee.

And they've actually divided the community into various sectors now, where each member of a team will look at the danger signs and determine whether there's specific actions that need to be taken. They are currently looking at also marks along the road access between the northern part of the reserve and the southern part of the reserve to gauge how the water is coming up and to determine at what point will they trigger a possible evacuation.

And they have a committee set up to do the evacuation. They're working with Community Resources and Department of Health, so there's a lot of work that is being undertaken, not just by our department, by other departments and the communities as well. And I think in terms of learning from last year and the year before, we're further ahead of the game this year, and hopefully we'll be able to see some fruits of that as the week goes on.

Mr. Toth: — Thank you, Mr. Minister, and your officials. I know the hour's getting, yes, somewhat late; we've kind of missed the best part of the day.

But having said that however, I'd like to add that the minister talked about emergency planners and yes we've got a number of communities around the province, in fact volunteers. And this morning I had the privilege of meeting with a number of volunteers in the health field. And this province has over the years prided itself in the way people volunteer their time.

And I'm pleased to see that even in our community we have individuals now who have seen what can happen, as they've observed what other communities have had to face in our province. We used to think that most of that happened south of the 49th. And we find that we're not necessarily immune; that it can happen up here. And being prepared is certainly an important step and having people pick up the flag and run with it and prepare themselves is something, I think, we need to say, compliment people for the actions.

And I want to thank your officials and your department for the way they have been working. And I guess we can all say that we hope we'll learn from past experiences. We hope we're better prepared. And we can be better prepared down the road as we observe what other regions, what other areas do in addressing the circumstances in the disastrous situations that befall them.

So having said that, first of all let me say thank you, Mr. Minister, and to your officials for taking the time to come and

meet with our committee and we certainly look forward to further deliberations on other areas of responsibility that Corrections and Public Safety has.

Hon. Mr. McCall: — I guess I'd like to say thank you to the members on the committee for their attention and for their interest and for their questions. And I'd certainly like to echo the comments of the member with regards to the volunteer community and the great work that's being done by people at the local level on getting ready to make sure their communities are as safe and secure as possible.

And of course I want to thank my officials for working with those people to try and get the tools in their hands to get the job done. So with that, I'd thank the committee for a great time. This is a great time of the day. And we'll just leave it at that.

The Chair: — Thank you to the minister and his officials. And since it is before the time of normal adjournment, can we have a motion to adjourn?

Mr. Elhard: — I so move.

The Chair: — Mr. Elhard, thank you. All in favour?

Some Hon. Members: — Agreed.

The Chair: — The committee is adjourned.

[The committee adjourned at 22:03.]