

EVENING SITTING

COMMITTEE OF FINANCE

**General Revenue Fund**  
**Post-Secondary Education and Skills Training**  
**Vote 37**

**Hon. Mr. Lautermilch:** — Mr. Chairman, I move the committee report progress on the committee of Post-Secondary Education and Skills Training.

**General Revenue Fund**  
**Labour**  
**Vote 20**

**Subvote (LA01)**

**The Deputy Chair:** — I invite the Minister of Labour to get his officials ready and now to introduce them.

**Hon. Mr. Trew:** — Thank you very much, Mr. Deputy Chair of Committees. It's a pleasure to be here this evening and also a pleasure to introduce my officials.

To my left is Sandra Morgan, the deputy minister of Labour. Directly behind me is Cheryl Hanson, the assistant deputy minister. To my right and behind is Dawn McKibben, the director of human resources and administration. John Boyd, the director of planning and policy is directly behind Ms. Morgan. Seated at the bar at the back is Jeff Parr, the executive director of occupational health and safety; Eric Greene, the acting executive director of labour services; Peter Federko, the chief executive officer of the Workers' Compensation Board; and Gail Kruger, the vice-president of finance at the Workers' Compensation Board.

**The Deputy Chair:** — Thank you, Minister.

**Mr. Weekes:** — Thank you, Mr. Deputy Chair. I'd like to thank the minister and welcome his officials here today for the estimates of Labour.

Mr. Deputy Chair, I'd like to begin by really talking about the general condition of our economy and how the labour laws and red tape and regulations affect it. Mr. Minister, this year — in the past year — employment in Saskatchewan is down over 13,000 jobs; net out-migration 4,800 people. And taking that into account, Mr. Minister, I'm just wondering how can the government and your department justify an increase of 6 per cent in your overall labour budget, and more specifically nearly 34 per cent increase in the Labour Relations Board budget.

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, I thank you for that and I thank the hon. member for Redberry for that opening question. What I'd hope to do is to give a very . . . I hope relatively brief overview of the department before I get to answering that specific question, so if you will indulge me, Mr. Deputy Chair.

I wanted first off to say how pleased I am to be here, my very first time in estimates and very pleased to be with the

Department of Labour. We've had a busy time in the last two, a little better than two months that I've been the minister responsible.

In Saskatchewan there's about 40,000 employers and very close to half a million people in Saskatchewan's workforce, and that's the people that we directly administer legislation for. And I'm very pleased that the department is up to that task, that is representing over a half a million working people, or about a half a million working people and 40,000 or so employers.

We view ourselves as not just a regulatory arm, but we like to see ourselves increasingly becoming a partner with industry as we develop sound social policy. And we like to work in a fair and a co-operative way with businesses and with working people, be they organized labour, or in some instances, not organized labour. But we believe that we contribute to the economic and social development of our province by providing good labour legislation, good . . . On the one hand there's a regulatory part that's good and has fair rules as we can that are predictable, and on the other hand it's the partnership I was describing where we try and develop better social policy so that employers and employees throughout the province can benefit from that.

The view that we've taken is one of prevention. We work diligently in the prevention of accidents. In fact, Saskatchewan, the member would well know, some years ago developed the first occupational health and safety Act in Canada. And we're very, very proud of the principles that have been followed and indeed built on and that we strengthen as time goes on.

We work to prevent accidents. We work to prevent work stoppages. And we work to prevent unfair treatment of workers. Education and prevention is very important for that.

As an example of how important, Member, and Mr. Deputy Chair, if we were able to reduce by 5 per cent the injury rate and the death rate in Saskatchewan — just 5 per cent — we would save \$20 million a year if we could do that, never mind . . . I'm not even touching on the human toll that takes place in accidents and deaths.

There's other things that we are working with. Across Canada there's a concern about a shrinking labour pool. By way of example, in the construction industry they believe that there's going to be a more than 600,000 person turnover over the next six to eight years. It's virtually the equivalent of everyone who is a skilled tradesperson in the construction industry today being replaced, and that's all going to happen in a very short time.

It's not much wonder that 72 per cent of the respondents in a survey of the Canadian Manufacturers and Exporters Association . . . 72 per cent listed skilled labour as being one of the top three criteria for where they would consider setting up an investment. And we in Saskatchewan of course are very interested in being a very good place for investment, creation of jobs, and the growth of our economic well-being, if I can describe it that way.

We know that in addition to the skills, what businesses have to have is labour-management relations that are good because that

can affect the recruitment and the retention of those very same skilled workers. We can do that. We can gain that good relationship through co-operation and collaboration, working with as opposed to the old industrial model of conflict and confrontation. So we're trying to be working with as opposed to always at loggerheads and I know that our economy will benefit from that very thing.

While we're facing a demand for skilled workers, Mr. Deputy Chair, we're also facing some challenges in changing demographics. In Saskatchewan today, just over one-quarter of the new entrants into the workforce are Aboriginal and that's a tremendous opportunity for us to grow our economy and to have all people participating as fully as possible. And the department has a number of strategies aimed at youth and Aboriginal people, and I'm delighted with that, and hoping you'll be asking some questions around that, Member, and it'll give us a chance to talk a little bit more about it.

We also are in — I talked of the youth component — we're in our second year now of a program that we call, Are You Ready for Work? And what we're trying to do is make sure that young people, particularly in their first job, have them know what is expected of them by their boss or their employer, and what their employer . . . what they can expect of their employer in turn.

We want that first work experience to be a safe and a positive one. There's all kinds of statistical evidence that says young people, defined as 24 years of age and younger, are at a significantly higher risk of injury and death on the job than are people with a little bit of grey in their hair — in other words as we get older.

Just the other day we had a day of mourning tribute, on last Friday, and I know the member participated in that. What this, Are You Ready for Work? program, part of what it is designed to do is to try and drive that accident and indeed death rate down lower and lower. And I know that all members in this legislature, all employers, and all employees around the province would welcome that.

As I'm nearing the end of these remarks, I want to talk a little bit about balancing work and family responsibilities. This is another area of endeavour that my department is most interested in and I'm certainly interested in. We've got more and more two-income earners, and we've also got people working many more hours now than they did 10 and 20 and 30 years ago.

And there's just a tremendous additional stress as people try to balance work and family responsibilities. And this leads, Mr. Deputy Chair, this leads to absenteeism. It leads to increased use of sick leave, that sort of thing, and the direct costs of that are estimated to be over \$3,500 per year per employee. And we're real anxious to work with employers and with working people to see if we can't find ways of making work places more user-friendly.

That in a nutshell, I think, sums up what the Department of Labour is about, some of the initiatives that the department has. We've also got some other areas of responsibility, being Workers' Compensation, and I'm sure you'll have some comments and questions on that.

**Mr. Weekes:** — Thank you, Mr. Minister, Deputy Chair. I do have some specific questions I want to ask the minister and his officials. I want to go back to the increased budget in the Labour Relations Board and the specific reasons behind a substantial increase of 33 per cent of the budget in the Labour Relations Board. And also I've noticed that the staff complement has gone from 172.4 up to . . . sorry, 161.9 to 172.4, an increase of 10.5 positions.

And taking these increases in the number of employees and the tremendous increase in the Labour Relations Board budget, one has to wonder where and why these increases have taken place. In last spring's sitting, Bill 59 was a very contentious Bill, not only from the Saskatchewan Party but many employers and businesses across the province was very concerned about basically the forced unionization aspect of Bill 59.

And my question to the minister is: is the increase in the Labour Relations Board budget directly related to the changes that Bill 59 brought in, and the increased workload that the Labour Relations Board appears to be having concerning basically forced unionization of these employees? And basically my question is: is this the result of the increased cases before the board concerning Bill 59?

(19:15)

**Hon. Mr. Trew:** — Thank you, Mr. Deputy Chair. The increased budget in the Labour Relations Board is a result of there being two additional positions in that. We have a new Vice-Chair of the Labour Relations Board and we also budgeted for an investigative officer.

Now there's a couple of reasons for this. One the member has identified, that we anticipated an increase might be needed because of the changes in The Construction Industry Labour Relations Act that were passed last year.

But we also had ongoing concerns expressed to the department by both employers and employees about the speed of decisions that the Labour Relations Board was making. And indeed when we looked at it, or when the department looked at it, it was a case of the Labour Relations Board employees, you know officers and the balance, simply having . . . spending a lot of time listening and considering, and less time actually writing up the decision and making those decisions known.

So this is hoped that what we're going to do is speed the ability of the Labour Relations Board to hear cases, make their decision, their adjudication, and to report back to the parties involved.

**Mr. Weekes:** — Thank you, Mr. Minister, Mr. Deputy Chair. Could you tell me exactly what the new Chair . . . the role of the new Chair will be? And the investigative officer? What is exactly their roles and duties?

**Hon. Mr. Trew:** — Mr. Deputy Chair, and I thank the member for Redberry for the question. What the addition of a Vice-Chair does is enables the Labour Relations Board to have a third more hearings, because the legislation requires that either the Chair or Vice-Chair of the Labour Relations Board must hear a case. There must be one of them in attendance to

hear the case.

Previously we had one Chairperson, one Vice-Chair. With the addition of a second Vice-Chair, obviously, you do the math and we've increased the ability to hear cases by a third.

With respect to the investigative officer, they do the pre-hearing work, the background, the putting the details together, the investigative details to make the case more hearing-ready, if I can describe it that way, and it's to facilitate the work of the Labour Relations Board.

**Mr. Weekes:** — Thank you, Mr. Minister. Mr. Deputy Chair, these 10.5 new positions, are these two positions part of that 10.5, and if they are, what are the other positions made up of?

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, yes, the answer to your question in two parts is yes, these are a part of the additional 10 and a half positions that were included in this year's budget allocation. The other part of your question, member, was: what are the positions, those 10 and a half positions? Am I right? Okay, I'll share that with you happily. We have a full-time position in the labour relations area. We have one and a half in Aboriginal programming, two in the work and family program that I described a bit briefly in my opening remarks. We have two in the communications branch. We have two in occupational health and safety where, incidentally, Saskatchewan is, I believe, one of two jurisdictions in Canada that . . . certainly one of the first two that has an ergonomics officer in that occupational health and safety area, and we're very proud of that. And there's the two that we've described in the Labour Relations Board.

**Mr. Weekes:** — Thank you, Mr. Minister. A question concerning certifications and decertifications: has there been an increase in certifications to date, or has there been an increase in decertifications? Do you have the numbers up to date on both certifications and decertifications?

**Hon. Mr. Trew:** — Member, I'm told that we can have those numbers here this evening for certain, or as certain as we can be. I shouldn't maybe couch it in those frames but we think that in just a matter of not too terribly many minutes we'll have it. Would you, in the interest of time, care to move to another subject and we'll come back to that when the numbers come in?

**Mr. Weekes:** — Thank you, Mr. Minister. There may be other items like that coming up.

Just in a general term, what is the current caseload of the Labour Relations Board or do you have specific numbers for that right now?

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, the answer to the last question first is that we have no way of knowing. I do not get a regular report nor does the department get a report from the Labour Relations Board. It is set up as a . . . I'll describe it as a semi-judicial process, and they keep track of their numbers. In fact, I am advised that we find out about matters before them in the same manner that you or other members of the public would. That is, typically it's an employer or an employee brings it to your attention or you read about it in the media or see it on the 6 o'clock or 11 o'clock news.

With respect to the other question you asked about certifications, and I can report to you that there were 113 certifications in '99-2000 — 113. That is a little less than what it was in '95-96 but it's up from last year.

The decertifications, I'm advised there were 12 decertifications in that same '99-2000 period.

**Mr. Weekes:** — Thank you, Mr. Minister. Mr. Deputy Chair, in the, basically, the day-to-day operations of the Labour Relations Board, are there any limits? You had mentioned before that there was a number of concerns from employers, and I assume from unions and workers, that there are delays in the decisions by the Labour Relations Board. Is there any limits as to how long the board has to render a decision, either in a decertification or certification?

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, with the current legislation there is no time limit respecting rulings of the Labour Relations Board.

**Mr. Weekes:** — So I would take it from that, Mr. Minister, that the board could make no decision on a certification or decertification at all? It could just basically ignore it. Or how does that process work when it comes to some timely decision being made on these decisions in these matters?

**Hon. Mr. Trew:** — Mr. Deputy Chair, I think what the member is asking is on the one hand there is no time limit that the Labour Relations Board has in which to rule. In theory this could drag on indefinitely, and the member is saying what is it that stops that.

There is again a two-part answer. We've been experiencing a fairly heavy workload in the Labour Relations Board relative to its staffing levels. The cases have a complexity that simply have required a little additional horsepower — person power I guess is a much better phrase — and we've added those two person power to the Labour Relations Board this year.

With respect to the timing, though, in addition to the resources that are available, in practical terms the best description, the best way I can do this is with an analogy to a court. And there is lawyers on both sides and they ask for adjournment and so things, you know, drag for a while. But ultimately the chairperson of the Labour Relations Board will ultimately say, enough is enough; this is dragging on for too long. And it's the chairperson's sole domain — sole domain. When the chairperson of the LRB (Labour Relations Board) says enough's enough, let's get a decision, and it will be made then very shortly.

(19:30)

**Mr. Weekes:** — Thank you. My next question or number of questions goes to the certification process. And as you're well aware of our party's policy . . . private member's bill really speaks to the spirit of democracy in this process of certifying and decertifying. And I'm just wondering what your thoughts are on the right to give a secret ballot to workers, in the spirit of democracy, to whether they want to be certified or decertified.

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, I'm

delighted to take that question. We've had a trade union Act in Saskatchewan for about 50 years now and it's worked very, very well. And I'll remind the hon. member that we've had Liberal, and we've had Conservative, and we've had CCF (Co-operative Commonwealth Federation), and we've had Liberal again, and we've had New Democratic, and Conservative again, governments, all of which have left The Trade Union Act basically as it is.

And I remind the member that for a certification to take place in a workplace, what is required is 50 per cent plus one. In other words, the majority of employees must sign the card. And signing a card, when you sign your name on a card, that, we say, and under The Trade Union Act, that is your vote — when you sign your card. And working people that do sign a card understand that. The system has worked for 50 years, and it's worked very, very well.

**Mr. Weekes:** — Mr. Deputy Chair, I would argue that the process of signing a card is not democracy whatsoever. It opens the door to coercion, to intimidation, to all sorts of undue pressure on the potential union member.

And it's interesting to note when two unions are fighting over an association of workers, the decision goes to a secret ballot. Those workers have a secret . . . they have an opportunity to vote whether they want to belong to A union or B union. And I don't understand why, in this society where we value the democratic right to vote in a secret ballot, why when people are deciding whether they want to join a union or not, why they can't have that opportunity of a secret ballot.

And it goes much deeper than just that commitment to a secret ballot. It's always a concern, it's always thrown out there about coercion and undue influence. But even if that takes place, even if people signed a card but at the end of the day the final decision was made by a secret ballot, what could be more fairer than allowing those workers to make that decision through a secret ballot where any possible intimidation by either side, employer or union side, can be dismissed and no one knows how anyone has voted?

I don't understand why that basic democratic right is denied workers in this province. They have that right in an election. All elections are secret. They can make the decision in the privacy of their polling booth, but not when it comes to deciding whether they're going to join a union or not.

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, as I said in my earlier answer, for about 50 years now The Trade Union Act has worked. We feel very strongly that when an individual signs a membership card, when they sign a membership card that is their vote. It requires — if it's a question of how much thought is required — it requires more thought to sign one's name as opposed to put a check mark or an X.

With respect to the privacy or the secrecy, I want to point out to members opposite, Mr. Deputy Chair, that if an organizer has an employee sign a card, that organizer cannot show that card. They're prohibited from saying, this employee signed the card. So in effect it is a secret, who has signed, who has not signed. It's a secret. It's not a matter of public knowledge.

So we again say The Trade Union Act has worked well. And indeed a fairly large number of provinces in Canada follow a similar process, that is a signed card is considered a vote for the union. And as soon as you have a majority of vote, you can have yourself a union.

**Mr. Weekes:** — Mr. Deputy Chair, it's interesting you're saying a member of the union leadership gets to see who signed the card. I mean that's not exactly by any stretch of the imagination a secret ballot. Nor would it be proper for an employer to see who signed the card or did not sign the cards. And the whole point of this is that only one side of the debate gets to see who signed the card, and that's the union leader. And in no way that is fair or democratic in any way.

And again, my point before was if it's okay for two unions to try to unionize or take over a union, to have that debate where the workers can sit and listen to the unions' reps from union A or union B and then make the decision through a secret ballot, why is it not also right that a worker or potential union . . . in a certification process not be able to sit and listen to the employer's side and the union side, and then vote through a secret ballot whether they want to join that union or not.

More specifically, could you tell me how many provinces in Canada deny the workers the right to a secret ballot in decisions relating to certification and decertification?

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, I want to go to the very opening remarks when you had talked about the union organizer having access to the working person that that organizer had signed up and how unfair that is. And it struck me as rather odd that that would come into question at all in that, I mean when you have an organization drive, whether it be for a trade union or you're organizing to build a rink in your local community, by definition somebody has got to go out and talk to somebody else.

In this case it's, by your words, a union organizer. It could be a co-worker that has decided to form a trade union in their workplace. But someone has to have the cards in their possession and speak to either co-workers or the workers in that workplace. So of course they would know who they've signed up. And I just . . . it escapes me how it could be any other way.

This has worked very, very well for a great number of years and part of the wisdom of The Trade Union Act is, and I'll refer the hon. member to section 11(1), unfair labour practices, where it says:

It shall be an unfair labour practice for an employer, employer's agent or any other person acting on behalf of the employer:

(a) in any manner, including by communication, to interfere with, restrain, intimidate, threaten or coerce an employee in the exercise of any right conferred by this Act; (it goes on)

(b) to discriminate or interfere with the formation or administration of any labour organization or contribute financial or other support to it;

and the Act goes on.

This is for employers — section 11(1).

For employees, it is section 11(2), and The Trade Union Act, the very same Trade Union Act says:

It shall be an unfair labour practice for any employee, trade union or any other person:

(a) to interfere with, restrain, intimidate, threaten or coerce an employee with a view to encouraging or discouraging membership in or activity in or for a labour organization.

And it goes on. Now I've just read some prohibitions in the same section dealing with employers on the one hand and employees on the other. The rules are very fair; the language is fairly clear. There is always a dispute no matter how clearly an Act is written, but the language itself is fairly clear.

This Trade Union Act has stood the test of time; stood the test very, very well. We maintain that any employee that has signed a union membership card, that is every bit as good as if they were to mark an X and stuff it in a ballot.

**Mr. Weekes:** — Mr. Deputy Chair, Mr. Minister, that's fine. You've read out the rules and regulations in what can and can't be done, but you forget a couple of obvious things.

The first thing is, the union can communicate with the workers about the certification process; the employer cannot communicate with the employees about the certification process — not fair. And the other point: who has the list of who signs the cards? A union rep — not the employer; not that I'd want the employer to have it The union rep does, though. So there's two big problems in your argument about fairness and coercion and that whole area. It's all lopsided one way.

What I'm discussing, what I would like to see, is a balanced approach — fairness. I see nothing wrong with the worker having the right to get information from both sides. Yes, there has to be rules concerning coercion and intimidation. There absolutely is no doubt about that. But have the access to both sides and make an informed opinion through a secret ballot. At the end of the day coercion, undue influence, all that is gone because that employee knows he or she puts a checkmark beside yes or no — whether they want to join the union or not. And that takes away all of the problems and the concerns around coercion and fairness.

I'd like to go on to some questions concerning Workers' Compensation. And in the past number of weeks, Mr. Minister, I've asked quite a few questions related to WCB (Workers' Compensation Board). And you have answered that you cannot answer them because you are not nominally in charge of WCB.

Can you explain to us what you mean by nominally in charge?

(19:45)

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, as the hon. member knows, the Workers' Compensation Board is in fact an operation that is run arm's-length from the government.

What the government is responsible for is The Workers' Compensation Act. We're the ones that control the passage and the amendments to The Workers' Compensation Act. We appoint three people, the board — the chair, the labour representative, and the employer representative. But I would point out, and the member probably, I suspect, knows already, that with respect to the latter two, both the employer and the employee representatives, those are appointed after a broad consultation with each respective group, that in fact they nominate . . . put names forward, and the process is then that the minister selects a name for appointment.

Because, in addition to what I've already stated, the Workers' Compensation Board . . . Unlike a line department, the Workers' Compensation Board is funded exclusively by employer premiums. Employers are responsible to submit workers' compensation premiums, as opposed to a line department where we have a clear line of taxes in, service out from the department. So that's different.

Because of those differences we're simply not responsible for the day-to-day decisions that are made in the Workers' Compensation Board, in the running of the board.

**Mr. Weekes:** — Mr. Deputy Chair. Thank you, Mr. Minister. Well it begs the question concerning the plan to shut down WCB offices in Saskatoon and Regina, bus employees from Saskatoon to Regina to a party, a goodbye party for Stan Cameron, which was going to cost the WCB, and which is funded by the employers of this province, \$7,000. And you stated that you stepped in to put a stop to this party; and now you're saying that this, the WCB, is run at arm's-length. Could you just explain what is your relationship with WCB in light of this \$7,000 goodbye party for Stan Cameron.

**Hon. Mr. Trew:** — I thank the member for that question. The issue here is one of . . . certainly it's inappropriate to shut down an office for a, in this case, a farewell party. Whether it's an arm's-length operation or a direct-line department, it's still inappropriate to shut an office down. We communicated with the Workers' Compensation Board and they saw the wisdom of that, and as a result, that particular event was cancelled.

**Mr. Weekes:** — Thank you, Mr. Chair. Well it brings up another matter. An official from WCB was interviewed and stated that the party's still going ahead. So is it going ahead at some later date, and if it is, who's paying for it? What are the circumstances around it?

**Hon. Mr. Trew:** — Thank you, Mr. Deputy Chair of Committees. There is agreement between the Workers' Compensation Board, or with the Workers' Compensation Board, that that was an inappropriate plan to shut down the office, and I'm advised that to date there are no plans for a replacement party.

I do want to say that Stan Cameron — the Chairperson we're talking about who resigned due to ill health from the Board, Mr. Deputy Chair — Mr. Cameron, after nearly eight years as Chair of the Workers' Compensation Board, is deserving of an opportunity to say goodbye to Workers' Compensation staff; and they in turn to bid him farewell and wish him regained health and I'm sure a long and happy retirement.

It's my hope that we'll be able to find an appropriate venue for that to happen, but I can say that I've no reason at all to believe that it would be an event . . . the event that shuts down an office. I just do not see that happening.

**Mr. Weekes:** — Thank you, Mr. Minister. The whole affair around this party, it seems to bewilder me that anyone in WCB would ever consider holding a party like that under any circumstance. I've got nothing against the gentleman. I've never met him and understand he left because of poor health. But it was totally inappropriate at any point for any official and WCB to even consider spending employer money on an extravagant party — \$7,000 and closing an office. And I was wondering, was anyone reprimanded for this decision?

**Hon. Mr. Trew:** — Mr. Deputy Chair, first off I have stated publicly before tonight, and certainly tonight too, that I agree with the inappropriateness of what had been planned. Mr. Deputy Chair, I spoke with the Acting Chair of the Workers' Compensation Board who saw that in a similar light agreed. It's regrettable that it went as far as it did, I guess, I can describe it, but fortunately we found out and were able to make the changes in a timely fashion and I very much believe that the Acting Chair of the Workers' Compensation Board and anyone else that was involved with this learned from that.

**Mr. Weekes:** — Thank you, Mr. Minister. Mr. Deputy Chair, I would like to just ask a couple of questions concerning the whole issue around the severance pay paid to Mr. Cameron. If he was in ill health, and I understand he was, and I'll take your word for that, why was he paid such a huge severance pay instead of applying for workman's comp benefits?

**Hon. Mr. Trew:** — I think the question was, why didn't Mr. Cameron receive workers' compensation benefits. Is that what I heard at the end . . . (inaudible interjection) . . . That's what I heard. The question is, why wouldn't Stan Cameron receive workers' compensation benefits instead of a retirement allowance? The simple, simple answer — and I'm just shocked that the member doesn't know this — Stan Cameron didn't suffer a workplace injury. He has a health problem, but he didn't suffer a workplace injury. Workers' compensation is designed when a work person gets injured; then they're entitled to collect workers' compensation. He was not injured at work.

The first part of the question was, why did we choose the roughly \$150,000 option, and I want to share as broadly as I can. It's really, really simple. After nearly eight years as Chair of the Workers' Compensation Board, having made a significant number of changes — not everyone will agree all of the changes were positive but I can tell you a significant number of positive changes at the board. After eight years, Mr. Cameron realized he could not finish his term. He had nearly three years left in his term as Chair. When he realized that, he approached the board and said, I need . . . I can't continue this job. My doctor is saying get out, can't continue. Then they sought the low-cost, frankly, option which was a retirement bridge. That was the lowest cost option that there was, and in addition I come back to the fact that Mr. Cameron simply was not entitled to receive workers' compensation benefits, so we went to what did work.

**Mr. Weekes:** — Thank you. Again you've stated that it wasn't

. . . it's only . . . workers' comp is only for injuries. Well I have to disagree with the minister. I mean there's illnesses that people claim that are from the work which would include stress leave and any number of emotional or physical things other than actually an accident where they got injured. So I'm not quite sure what the minister is getting at in that area.

And the second point, the second point. What does that say to the workers in this province when the chairman basically gets a separate deal which you've stated? You took two options and that was the best option they could give. Why not just apply for disability leave or pension?

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, the short answer is that long-term disability is a more costly option than was the \$150,000 retirement allowance that was agreed upon after . . . through negotiation, through discussion with both parties. We're, I think, very pleased with the end result.

I cannot, Member . . . I cannot get into a description of what it was specifically that caused Mr. Cameron not to be able to finish his mandate, but I can assure you that it was not because of a compensable injury or anything compensable.

**Mr. Weekes:** — Thank you, Mr. Deputy Chair. Again if an employer carries insurance, an employee is ill for whatever reason and can't do their job, they apply for long-term disability. Life goes on, the insurance company picks up the disability, and that's the normal procedure how it works.

But in this case it seemed to have a . . . he seemed to get a different type of settlement than is available or was available at that time or is to anyone else. The other question is, will the chairman be replaced at any time soon, or what's your plans as far as a new chairman?

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, I'm pleased to say that yes, the Chair of the Workers' Compensation Board will be replaced and an announcement will be made at an appropriate time.

**Mr. Weekes:** — Thank you. Could you go into some explanation of the application process to hire a new chairman and what the qualifications would be of people, I assume, that have the opportunity to apply for the job?

**Hon. Mr. Trew:** — Mr. Deputy Chair, yes. The answer is that the Chair of the Workers' Compensation Board is appointed in the same manner as any other permanent head in the government and that is it's an order in council appointment.

**Mr. Weekes:** — Thank you, Mr. Deputy Chair. We have put several questions to your department regarding the dismissal of four senior officials from WCB, regarding the reasons these people were let go and how much severance each received, and your department has refused to answer these questions. Is this because you don't know or won't say the amount?

(20:00)

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, as I've stated earlier, The Workers' Compensation Act is the responsibility of the Minister of Labour and the Ministry of

Labour who are responsible for the passage and the maintenance of The Workers' Compensation Act. We are in fact responsible to promote the Chair of the Workers' Compensation Board, and we appoint an employer and an employee member of the board. The day-to-day running of the Workers' Compensation Board is the responsibility of the Board.

**Mr. Weekes:** — Thank you. I'm just wondering if these dismissals were all related to the contents of the Dorsey report which you've been sitting on for . . . your department's been sitting on for seven months.

**Hon. Mr. Trew:** — I thank the hon. member for Redberry for that question. As I've said on several occasions publicly, Mr. Deputy Chair of Committee, the release of those four personnel in question, regrettable as it may be, I can absolutely state unequivocally is not related in any way to the Dorsey report.

**Mr. Weekes:** — Thank you, Mr. Deputy Chair. So far, Mr. Minister, you've refused to release the Dorsey report. Can you give us a firm commitment tonight when it will be released? Can you give us the date when you'll release it to the people of Saskatchewan?

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, the Dorsey report has been in this minister's possession for about 10 weeks now, along with a whole host of other things. As I said about an hour and four minutes ago how pleased I was to stand here for my very first time in estimates, tonight is a night of firsts for me, Mr. Deputy Chair of Committees. There are many, many, many firsts as I get to know, not only the Department of Labour and all of its mandate or much of its mandate, but I get to know the Workers' Compensation Board and the other area of responsibility that I have as well as, and the list goes on and on.

We are in the process of considering very carefully the Dorsey report. This report deserves our very careful consideration. It's been now in — and the member will probably say it's been far too long that we've not . . . that the Dorsey report has not been public. I happen to share that sentiment. I look forward to the Dorsey report becoming a public document in the near future. I'm just in . . . What I can share this evening is we are in the process of giving the Dorsey report very, very careful consideration and I anticipate in the relatively near future being able to make it a public document.

**Mr. Weekes:** — Thank you, Mr. Deputy Chair. Mr. Minister, your government had no problem releasing the Fyke report. Why don't you release the Dorsey report, let the people see it? What's the difference?

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, I could go through the exact same answer, but in the interest of time, I will share with the hon. member, I want and expect that we will be releasing the Dorsey report in the relatively near future, and certainly it will be released in due time.

**Mr. Weekes:** — Mr. Deputy Chair, there's been several reviews of WCB in the past, and one of the recommendations that came out of at least one of these reviews was to do away with the provisions that says injured workers cannot sue their

doctor if in the course of treatment their condition is made worse. This has been to justify . . . This is being justified because doctors are also employers. Do you believe this interpretation that extinguishes an injured worker's right to sue a doctor who injures them through negligence? Is that within the spirit of WCB?

**Hon. Mr. Trew:** — Thank you, Mr. Deputy Chair of Committees. And I know what the hon. member is driving at with respect to doctors, and it's the truth, yes. And what we've had is a situation where successive committees of review have dealt with this issue and made recommendation.

And it's a serious matter because . . . I think I'll describe what I think you're getting at. A doctor could be guilty of the most gross malpractice in the world and not be sued, and that's problematic. I want to share with the hon. member though that it's about, I'm advised, 18 months ago in a Robert Lindsay case, the Supreme Court of Canada ruled that doctors are in fact employers, and as such cannot be sued through the Act.

**Mr. Weekes:** — Thank you. That may be true. I agree that's what the courts did say. But are you contemplating any changes to that to protect the patient and the worker from doctors, unfit doctors? Has that been coming up in any of your recommendations that you receive?

**Hon. Mr. Trew:** — Thank you. Mr. Deputy Chair, that brings us to the next piece of good news. I've said repeatedly that this is the year of change at the Workers' Compensation Board. It's a year where we're going to have a new chairperson, and both the terms of the labour and the employer representatives are up, so we're going to have three positions at the Workers' Compensation Board. I point out not all necessarily new positions, but new and/or reappointed.

We've got also the committee of review that is going to be announced this spring yet. And this is a matter that is very appropriately referred to, and I trust that the committee of review will make some comment about it. And I very much look forward to receiving their thoughts on how this should be handled.

**Mr. Weekes:** — Mr. Deputy Chair, I'd like to move on to another topic regarding the office of the Workers' Advocate. Can the minister tell us what the current backlog of cases is? And I understand that for many workers who are availing to this office for help the waiting list can be up to one to two years. Is this correct? Is this how long the waiting lists are at the Workers' Advocate?

**Hon. Mr. Trew:** — Mr. Deputy Chair of Committees, with respect to this particular area, the Workers' Advocate's office, I'm advised that there are roughly 800 cases outstanding which we're finding . . . I'm finding unacceptable. When I toured the Workers' Compensation Board shortly after I became minister — in the first month — I stopped in and spoke with the good people that are working there and I know they share my frustration as does the department generally.

We're working to actively find ways of reducing that backlog. There are, I'm told, about 300 cases under current review. And I'm also advised, Member, that there are a number of

long-standing cases that have recently come to fruition, and frankly some of them with some good news for the injured worker — in one case, \$125,000 settlement that was a long-standing dispute and in another case it was a quarter of a million dollars.

So it's good to see. I'm hoping this is some breaking of the ice jam, if I can describe it that way. That's what we're really hoping for and freely share with anyone who cares — 800 and this 300 actively being looked after, 500 in the queue. That's not where we want to be. We're working to get that number down.

**Mr. Weekes:** — Mr. Deputy Chair, going back to my question, how long of a waiting list if someone went to the Workers' Advocate today? Are you looking at a year or two before you would get help? And the other question is: you have 800 outstanding cases today; how many were there a year ago? I assume it's increased in the last year. And what steps are you taking, Mr. Minister, to alleviate this situation at the Workers' Advocate?

(20:15)

**Hon. Mr. Trew:** — Mr. Deputy Speaker, I shared moments ago that the 800 injured workers at the Workers' Advocate's office is unacceptable. Part of your question was, where was it a year ago? Short answer — about 700. What has transpired in the ensuing time is, I'm pleased to say, we've done an internal review of both the Workers' Advocate's office and the Workers' Compensation Board and we've focused specifically on the relationship that they had, those two areas had, trying to resolve some areas of . . . some sources of annoyance that both were experiencing.

And I'm happy to say that they've a much better understanding of each other, that is the Workers' Compensation Board and the Workers' Advocate's office have a better understanding of each other's needs and there is a renewed sense of co-operation which also, I'm advised, developed a fast-tracking approach to try and fast track — I'm reluctant to give you a number — but to try and fast track some of these 800 in the backlog.

So I'm very optimistic that next year, should you be asking the questions and should I be giving the answers, I'm really optimistic that next year we'll have some genuinely better numbers and better news for you. And I thank you for the question.

**Mr. Weekes:** — Thank you, Mr. Minister. I'd like to move on to another topic. Is your department, your government, bringing agricultural workers under The Labour Standards Act this session?

**Hon. Mr. Trew:** — Mr. Deputy Speaker, the issue of inclusion of agricultural workers under labour standards is a very important one to a fair number of people, and it's an issue that has very strong feelings. I know this because I've met with labour representatives and I've met with employer representatives. I've gone out, made a point of stopping in a community that has hog barns, inquired of a few people . . . actually I knew a few people there and talked to them about it to get their sort of feel on the whole issue of hog barns in this

instance.

And I mean there's a great many facets to that, but in a nutshell, there's strong feelings on the part of working people. There's strong feelings on the part of employers, and it's an issue that, I think it's safe to say, we've been looking at fairly seriously and steadily for a number of years now. In due course, there may well be an announcement of some kind.

**Mr. Weekes:** — I'd like the minister just to really give a definition of . . . the common term is bringing intensive livestock operations under The Labour Standards Act. Is that correct? And what is the definition of an intensive livestock operation? What kind of operation does that include? Does it just include hog operations, or does it include other types of agricultural operations?

**Hon. Mr. Trew:** — Mr. Deputy Speaker, there have been no decisions made on this and I'm certainly in no position to talk about definitions. It's a serious matter. It's one that we will continue to look at and evaluate but there's been no decision made on it.

**Mr. Weekes:** — Thank you, Mr. Deputy Chair. Just one more comment and a question. The previous government . . . and throughout the winter the government has said that agriculture or intensive livestock operations will be . . . legislation will be introduced during this session. Now you're on record, Mr. Minister, as saying . . . I'll quote from *The StarPhoenix*:

The employees of intensive livestock operations in Saskatchewan may have to wait another 50 years before they receive the protection of The Labour Standards Act.

So I'd just like to know, Mr. Minister: has there been a change in the government's thinking because it seemed at one point it was definitely going to be introduced this session, and now you're saying . . . you threw out the words 50 years before it will be introduced. Could you be a bit more clear on where the government's heading on this?

**Hon. Mr. Trew:** — Mr. Deputy Speaker, indeed agricultural workers have not been included under The Labour Standards Act since The Labour Standards Act was first introduced in this very legislature in 1947. It's a serious matter and it's been reviewed, I would describe in a . . . I can't say a constantly ongoing but it's been reviewed on an ongoing basis and revisited from time to time subsequent.

No, there's no change in that status. We've always intended to review it and we are. And if there's an announcement, I will be making it in due course.

**Mr. Weekes:** — Thank you, Mr. Deputy Chair. On to another issue, Mr. Minister. Can you tell us whether the government will be introducing legislation this session regarding maternity leave provisions in Saskatchewan so that job security provisions in provincial law match maternity leave positions of the federal government, federal law?

**Hon. Mr. Trew:** — Mr. Deputy Speaker, did I hear the hon. member say, are we introducing maternity, paternity, parental leave benefits to bring our benefits in line with the federal



government this session? The answer is yes.

**Mr. Weekes:** — Mr. Minister, some have suggested that even though it makes sense that the provincial job security law matches the federal leave law, it would be more fair to at the same time to increase the amount of notice an employer receives.

Some have suggested that employers get six weeks notice from employees leaving for maternity leave and four weeks from those who are coming back. Have you looked at this, and do you believe this is reasonable? And will you be considering this in the law that you bring down?

**Hon. Mr. Trew:** — Mr. Deputy Speaker, certainly we consulted around this Bill. We heard those comments. Indeed I heard those comments made in my office since I was invited to join the cabinet.

With respect to the details of the Bill, I think it's much more appropriate for us to have the Bill before the legislature and then we can discuss those very details.

But the other part of the answer I've already given is certainly I heard those comments respecting notice for return to work being made and a very cogent argument on behalf of small business.

**Mr. Weekes:** — Mr. Deputy Chair, I'd like to ask the minister on another topic. In the early 1990s your government passed a wide-ranging Labour Standards Act that included a section 13.4 which dealt with the assignment of hours for part-time workers. This most available hours provision was left unproclaimed. Can you tell us at the time why this decision was made?

**Hon. Mr. Trew:** — Mr. Deputy Speaker, with respect to the additional hours, this came to us as a recommendation of a joint commission on part-time work that was reported to the government at that time. And I can share with you, Mr. Deputy Speaker, that in 1993 there was just a barrage — you may well remember — a barrage of complaints of individuals working part-time who didn't have an ability to increase their hours so that they could, in fact, pay the rent, buy the food, you know, pay for the very basics of life. I mean, people manage, but in . . . all too often in those days, people were managing by doing two and three and four, and I know in some cases, even more part-time jobs. In fact, that's part of why this government introduced the changes in the legislation then.

And what we tried to do is to make it where there was no disadvantage for employers to employ full-time workers versus part-time workers. If your costs per hour are basically equal, then employers could make a decision based on what works for the employee and for the employer, how can they best provide the good or the service — whatever it is their reason for being in business.

But in those days there was just a phenomenal number of part-time employees and there was . . . I don't want to paint every employer this way because there was a good number of very good employers that did not use and abuse their employees, but unfortunately, Mr. Deputy Speaker, there was too many employers who did abuse their part-time employees

and gave them very few hours. So it was . . . there was a big demand, if I can describe it, from working people to have available hours included in the legislation.

What happened was there was no ability at that time to arrive at a method to implement the additional hours or by another name, most available hours. What might work for retail would not work in a different service industry. So the Department of Labour continues to be willing to consult, to discuss this with employees, employers, but they've not been able to come close to a consensus on how to implement in the various sectors. So those additional hours, that portion of The Labour Standards Act remains to be proclaimed.

(20:30)

**Mr. Weekes:** — Thank you. I guess my next question is: do you have any plans to proclaim the most available hours provision in the near future? And you've . . . I guess, you've basically . . . has stated that you're looking at it.

But I'd like a bit more of an explanation — exactly what is the concept of most available hours, and how that applies to private employers. Could you give us a bit of a definition of what the Department of Labour is looking at as far as the definition of that concept?

**Hon. Mr. Trew:** — Mr. Deputy Speaker, tempting as it is to expound for the next sort of hour or so about my personal knowledge or lack thereof of what most available hours or additional hours is, I won't do that. And there is a number of reasons, not only out of respect for everyone here.

But the department would be willing certainly to consult, to work with employers, employees, to see if they can, we can help facilitate an agreement or an understanding of what additional hours legislation means. But we are not actively pursuing that right now.

And let me share. I talked earlier about the huge shift from part-time to full-time work. I asked for the numbers. They, I think, tell quite a story. In Saskatchewan, from February, 2001 to March 2001: part-time employment increased by 200; full-time employment increased by 2,700.

This is part of . . . remember earlier, Mr. Deputy Speaker, I spoke about the crisis almost in terms of having a skilled workforce, skilled labour. And I used then the description of the construction industry, where right across Canada over the next six to eight years they're expecting more than 600,000 turnover. That's the equivalent of virtually everyone that's working today in a trade being replaced over the next six to eight years.

Obviously not everyone is going to be changing but obviously, equally obviously, a huge, huge number of baby boomers are going to be sliding out of the workforce over that next six to eight years. We're seeing it starting. It's happening as we speak and that will continue. As that happens, we're in a situation increasingly where employers are in a situation of having to work with whatever they can and get the full-time employees. It's becoming a more . . . It's closer to a worker's market than an employer's market that it probably was 10 years ago.

**Mr. Weekes:** — Thank you, Mr. Minister. Just one more question on that topic. There's been discussion among the business community that the government may begin to apply the most available hours provision to certain sectors and that . . . such as the restaurant industry. Is that a possibility? Is that being considered that you just might do it in one sector and work from there?

**Hon. Mr. Trew:** — Mr. Deputy Speaker, I'm reminded of TV ads that I have seen around teenage sex, and that's just say no. There's no plans to introduce most available hours in any sector this year.

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chair. I move the committee report progress for the Department of Energy and Mines.

**Mr. Weekes:** — I'd just like to thank the minister and his officials for attending this evening.

**Hon. Mr. Trew:** — Mr. Deputy Speaker, I just wish to also thank my officials for providing the answers and I very much enjoyed this evening's exchange. I thank the hon. member for Redberry for making this minister's first go at estimates memorable. You've asked some very important questions, some very good questions, and I think the people of Saskatchewan, be they working people or employers, were I hope well served by tonight's exchange. So I thank you for that.

**General Revenue Fund  
Economic and Co-operative Development  
Vote 45**

**Subvote (EC01)**

**The Chair:** — I'd invite the minister to introduce his officials here with us in the committee this evening.

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Chairman. To my right is the deputy minister of Economic and Co-operative Development, Larry Spannier. To his right is Denise Haas, executive director of investments and corporate services. To my left is Debbie Wilkie, executive director of marketing and corporate affairs.

Directly behind me is Jim Marshall, assistant deputy minister of policy. To his right, Lynn Oliver, chief information officer of information technology office. And just behind me to my left is Bryon Burnett, the assistant deputy minister of community and economic business development. And along the back rail are Roy Anderson, president and CEO (chief executive officer) of Tourism Saskatchewan; Tim Frass, director of finance and administration for Tourism Saskatchewan; and as well, John Treleaven, president and CEO of Saskatchewan Trade and Export Partnership.

**Mr. Wakefield:** — Thank you, Mr. Chair of Committees. And greetings to all of your officials that are here with us tonight.

Mr. Minister, I'd like to just start off with a few of the summary numbers in the budget for Economic Development. And I would ask that you may explain some of the increases that I'd noted.

There has been quite an increase in the summary of expenditures over the last year, in fact over the last two years. If I looked at the annual reports from the year 1999-2000, and 2000 and 2001, and estimated for 2001 and 2002, I see the increase actually of over 37 per cent. That's a very significant jump.

Just in the last year there's been a jump of almost 15 per cent. Can you give me some guidance as to why there's such an increase in the expenditure of Economic and Co-operative Development?

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Chairman. There are some substantive increases in the budget for this fiscal year. Our department's budget will be \$54.144 million, which is an increase of \$7.44 million. And I'd like to highlight for the member opposite what those increases are comprised of.

The Government On-Line Fund, it's a \$2.3 million fund that is very much a highlight of this budget. The CommunityNet accounts for some of the increase. There's a commitment over the next six years of \$71 million to provide high-speed communications and Internet access for 366 communities across our province.

We also have \$400,000 in the budget for co-coordinating the IT (information technology) office on this project. The other, I guess, highlights within the budget are an increased allocation to the Innovation and Science Fund from \$10 million to \$15 million, and the additional \$5 million is part of our budgeted commitment to the Synchrotron project. There have been as well, within these figures, an allocation of \$400,000 to address salary pressures, and they'll be applied across the department to deal with shortfalls that were, in the past, dealt with through vacancy management.

I want to say, Mr. Chairman, that the increase in the Science and Innovation Fund, the commitment to Synchrotron, and the programs that the budget has delivered in this province does represent an increase. But I think one can make a very strong argument that administering science and innovation, Internet technology, high-speed access in rural Saskatchewan, is very much a positive issue for economic development and education in rural Saskatchewan.

**Mr. Wakefield:** — Thank you, Mr. Minister. There's certainly been some increases, particularly in the research area. The Synchrotron, I think, is a very notable project that we've had the opportunity to visit and see what the potential is on that particular expenditure.

I've noticed, though, that there is an increase in the full-time equivalents of about 12 people, or 6 . . . over 6 per cent. That seems to be a bit higher than other departments. And I wondered if there's a reason for full-time equivalents, and why the administration of your department is 5 per cent increased over the last year.

(2045)

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chairman. The breakdown in terms of the changes in full-time equivalents are

with respect to administration. That has actually gone down from 34 full-time equivalents to 33 full-time equivalents. We have increased six full-time equivalents in the business and community economic development area and that, I would suggest, is probably money well spent in terms of working with communities and delivering programs. Policy is down one full-time equivalent. We have added four people, four full-time equivalents, to the information technology office. And that's what comprises the increase in personnel in the department.

**Mr. Wakefield:** — Thank you, Mr. Minister. Referring then to the business and community economic development program, when you say that you've been working with the communities and the businesses, that's certainly a commendable objective, but I notice that the regional development or the REDAs (regional economic development authority) hasn't increased in your budget. That's a very much of a hands-on, working with the regions opportunity.

Special projects and investment services has made a fairly significant increase; business development actually has decreased. The largest increase by far is the marketing and corporate affairs under that business and community economic development. It seems strange that if you're going to work with the community, the business community in particular, those kind of budget numbers would appear in this budget estimate.

**Hon. Mr. Lautermilch:** — Mr. Chairman, I want to say that we have continued to fund regional economic development authorities and their organizations. And I think that it's money very much well spent with respect to marketing and corporate affairs. We will be working with communities and with chambers of commerce, with REDAs.

In terms of marketing this province, and I think that it's one of the areas that people have, as I've travelled around the province, suggested that we need to know more about ourselves, about the successes in our province, the businesses who have taken risk and who have taken opportunities to generate profits and create jobs, and so part of that certainly is marketing and the increase in the marketing and corporate affairs department.

I want to say in terms of the business development, that's a result of one, as I understand it, one full-time equivalent being moved in these. So that's why the decrease there.

**Mr. Wakefield:** — Mr. Minister, with regards to the rural economic development authorities, the REDAs, they are very profile in most areas, cities and rural regions. The funding is stable from the previous estimate to this one, as you mentioned.

Could you give me some idea of maybe the return on that kind of investment when you're dealing at the regional level because those are the areas where investment, in particularly the rural REDAs, or the regional REDAs, is very important to the revitalization of our rural area. And I see that the increase . . . There is no increase for them, and yet I think it's very important. Is there a return on investment there?

**Hon. Mr. Lautermilch:** — Well, Mr. Chair, I think it's always difficult to gauge in that kind of an activity what your return is on your investment. I think as an overview, and just someone who is new to this department but who's very much aware of

the work that REDAs have been doing in this province, we're very much receiving a return on our investment that's appropriate.

And I guess I would speak to some of the meetings that I've had with REDAs in the last while. I've been in the Yorkton area and met with REDAs in that region — Melville, Yorkton. I've been to Swift Current. Certainly I've met with the REDA in Saskatoon, who is doing a very good job in that community, and the REDA here in Regina, the REDA in Prince Albert.

And I guess in the Melville, Yorkton area, I was there just a few days ago, and their work with the chambers and with the Aboriginal community and with young people in that area, developing an economic game plan very much excites me. So a return on investment to, I guess, put a figure on it, would be very much difficult to do. But I think it's very fair to say that communities in those rural areas, and indeed across the province, are very much pleased with the work that REDAs are doing. And I think it's a long-term investment in development of our provincial economy, and I want to say that I support very much the REDA concept.

I support the people who for the most part are volunteering a lot of their time to better their communities. I would probably give an example which I've used before, the community of Moose Jaw, which the member will be very well aware of. That community has gone through some pretty dramatic transition. And part of that is dream and part of that is a concept that has been put together by the business community, which includes the REDAs and which includes the town . . . the city council. And they really have transformed the downtown area of that community.

So a rate of return, I guess I would just use Moose Jaw as an example. Drive down the main street and have a look at the transformation that's taken place there in the last few years. That's a rate of return for me that is incalculable.

**Mr. Wakefield:** — Thank you, Mr. Minister. And I might agree that there are some very positive aspects to that REDA development.

I guess what I'm looking at is the REDA involvement in the areas that I'm more familiar with, for instance, in the Northwest. I think the programs are in place, but we're not seeing a great deal of economic activity flowing out of those, although maybe as partnering with some of the other incentives.

Let me have a look at the business investment program which is also a subvote here. And I wonder if you could give me a bit of an idea here of what is the purpose of these investment programs. I see there is a Strategic Investment Fund. There is the Innovation and Science Fund, which I assume has much to do with the research areas, economic partnerships, small-business loans. Can you give me some idea of what is the expenditure there in that particular subvote, please.

**Hon. Mr. Lautermilch:** — Thank you very much. Mr. Chairman, I'll just go through the list of the subprograms here: the Strategic Investment Fund is basically a fund designed to deal I guess outside of the other programs that you might find available in the Innovation and Science Fund which is a

matching fund. It's matching funding to research and development, matched by the federal government through the CFI (Canada Foundation for Innovation) fund.

The Economic Partnership Agreements is a federal/provincial agreement that is right now in its fourth year of a \$40 million program. We're committing to that 3.75 million as you can see for this fiscal year.

The Small Business Loans Associations is a fund that is set aside for loan loss provisions from that program.

**Mr. Wakefield:** — Thank you, Mr. Minister, for that clarification. And maybe just one more clarification. When I read through these estimates, there's a section called expenditure by type, and transfers for public services has a subheading and a category that kind of is included in the other numbers. Can you tell me what that means, transfers for public services?

**Hon. Mr. Lautermilch:** — Mr. Chairman, while my officials are bringing forward that information, I just want to revert back to the REDAs and just examples of what they have been achieving on sort of a provincial basis. With the REDAs, they've moved forward with 200 specific projects and initiatives and these are all focused on building infrastructure, economic infrastructure in the province. They've been involved in more than \$3 million in research and planning activities. And so as you can see they incorporate a very wide breadth of work and initiatives within the province.

I'll just check to see if that information is available on your last question . . . Mr. Chairman, expenditure by type really is a summation of the funds that are under the subprograms, Strategic Investment Fund, the Innovation and Science Fund, and the Economic Partnership Agreement which in total comprises the figure \$24.312 million. The transfers to the individuals would be basically the individual loans that come under the Small Business Loan Associations and under that program.

**Mr. Wakefield:** — Thank you for that clarification, Mr. Minister. The amount of money that you indicated in your last response focusing primarily on REDAs but also business development — I'm thinking in terms of again of rural revitalization. I know that some of the activities that are going on in Saskatoon, Regina, Moose Jaw, and some of the larger cities do in fact show some pretty positive numbers and that's certainly appreciated in this province.

In order to revitalize the rural, which I think is a very important part of your government's initiative, appointing a new minister particularly to review that, which we talked briefly about last time, what would the . . . it seems to me there's a real challenge to try to attract those kinds of businesses' investments, even with the kind of programs that you have outlined here, at the same time as the schools in the rural areas have not kept up with the necessary development or expansion or at least even keeping up to the current status. The rural hospitals have experienced considerable frustration and under the new Fyke report it may in fact be looked at in an entirely different way.

I guess what I'm saying is that when you look at that aspect

against the money that you're expending, in particular the rural areas with REDAs and other initiatives, are the two not in conflict? Trying to revitalize the rural is going to be a whole package of things and some of them certainly haven't been there.

(21:00)

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, the member and I will agree on a number of things this evening, and one of them will be the magnitude of the challenge in terms of developing our rural Saskatchewan economy and the transition that has been taking place.

The member will be well aware of the fact that in rural Saskatchewan, in particular in agriculture, there have been thousands of jobs lost and it's every year. And we've been trying to offset that and those jobs in other areas outside of the agricultural sector. And I want to say, in spite of the fact that over 30,000 jobs have been lost in the last 10 years in rural Saskatchewan, the province and the business community has created over 50,000 jobs.

But certainly when you have that kind of a drain in rural Saskatchewan, it puts challenges on the education system, it puts challenges on the hospital system, and certainly it challenges this province in terms of economic development in rural Saskatchewan.

But I want to say to the member opposite . . . and we talked about some of the programs that we have here, consist of economic development in rural Saskatchewan. But you know I just want to share with the member opposite a meeting I attended about a week ago in LeRoy, Saskatchewan. And I think it was one of the exciting times that I have had as Minister of Economic Development in the last few months.

A small community; a small RM (rural municipality), the community banded together over 120 partners in a new generation co-op to establish and finance a feed mill, to put together the equity to build hog finishing barns, partnering with a local entrepreneur and farmer to develop an intensive livestock area in that RM. And I'm told by people in that area that 35 per cent of the people involved and live in that RM are in one way or another involved in the development of that project. It's some \$40 million as I understand it from start to finish. It would be the largest producer of hogs as I understand again in this province.

And this was all done by local initiative, people who saw a vision, saw an opportunity, and captured it. Now this isn't done by any particular government program because we have no program dollars in.

And what they're looking for is support with respect to the infrastructure. They need a road system that will handle the increased traffic that this investment is going to bring. They need water to supply to the hog barns and they're asking for us to look at ways where government can help to facilitate the infrastructure.

Now those are the challenges. You have private sector investment of \$40 million, or \$4 million — \$40 million —

sorry. You have the whole community involved. Now there's new pressures on that infrastructure. So it's our responsibility to help to facilitate from my department and other departments within government those things to help that facility to grow.

Certainly the hundred employees that are going to be in that area and those facilities around LeRoy, Saskatchewan may put some added pressure on the school system. They may put some added pressure on the health care system, but I think that's the kind of pressure that we want to see. I think what is less encouraging is when you see small communities dying with infrastructure left and no kids to attend to the schools and little utilization of the health care facility, because the farms have gotten larger, the economy has changed fairly dramatically and people have moved on. And that's evidenced by the number of people in rural Saskatchewan and who are working in agriculture where we've seen some fairly substantive decreases over, not the last year or the last two years, but it's been ongoing. And the projections as I understand it are that the number of jobs in agriculture will remain fairly static, which will be a challenge.

But I think on the upside, when you see the growth of infrastructure and of opportunities, economic development opportunities such as I mentioned in LeRoy, Saskatchewan, it encourages me. Because I think that those are the things that are going to revitalize this province, revitalize rural Saskatchewan, and I want to commend all of those people who have been involved in putting that project together.

**Mr. Wakefield:** — Thank you, Mr. Minister. I certainly don't disagree that we have to champion those kinds of things. We have to look at all the opportunities that we can in the agricultural sector and certainly in the value-added aspect of agriculture. Agriculture, as we talked earlier, is going to change. I have a great deal of optimism for agriculture in this province. It may not look like the same agriculture as we have seen in the past. And an example you used at LeRoy, I guess I have to . . . Maybe we'll talk about that one shortly other than to say that when we try to develop a particular project in an area we have to make sure that we're not picking and choosing any particular one operator, any one aspect of the industry. All parts of the industry should be treated equally with the same incentives whether it's a tax incentive or if it in fact should apply then to the infrastructure needed as you alluded to.

I'd like to talk about that shortly, but before we do that I'd like to go to the next subvote here, the next section called information technology office. You've talked a little bit about this already and one of the things that strikes me is that there has been a very large increase in the budget, and that was a highlight in the budget as you mentioned going to the different aspects of Internet — high-speed Internet, wider bandwidth Internet, and so on.

My question would be: what relationship do you have in this aspect in information technology pertaining to this Internet? What relation do you have with SaskTel's role in this? I understand that SaskTel becomes the sole source supplier of that kind of service. Do I understand that correctly? And why do you . . . why would you have picked SaskTel as a sole source supplier of this service?

**Hon. Mr. Lautermilch:** — Thank you very much. Mr. Chairman, I think there are two components for what we're talking about here and one is CommunityNet, which is a \$71 million investment that is going to range over a six-year period.

I'm told by my officials is what they have done is they've taken all of the existing contracts from within the different departments and they've moved them into one; they've compiled it into one contract. SaskTel had the contracts before, but now it's under one new contract and it's with SaskTel.

The information that you requested with respect to Government On-Line is information from government that will be accessible for businesses, and people interested in what is happening within the Government of Saskatchewan. And that is the On-Line initiative that's on page 39, the one that you referred to as well.

**Mr. Wakefield:** — Okay, thank you, Mr. Minister. I want to talk a little bit more about information technology, but I'd like to defer to my colleague from Swift Current, if I may, to ask one or two questions about information technology.

**Mr. Wall:** — Thank you, Mr. Chairman. Mr. Minister, and welcome to your officials as well. I have some questions regarding the information technology office, in specific. But just before I do that, a general question is . . . I notice some of the subvotes and some of the areas of your department as it relates to special projects and investment services. Certainly in the department there are people who have the skills and the training to be able to certainly assess business plans, assess business opportunities, who will have experience with due diligence.

And I'm just wondering if you can confirm whether or not, at any time, any of the department officials, who might have those services, have been contacted by or invited by Crowns who might be interested in making . . . developing new businesses, new ventures? Has your department historically been contacted by those Crowns to request some assistance with business planning or due diligence?

**Hon. Mr. Lautermilch:** — Mr. Chairman, the answer, I guess quite simply, is no. The Crowns are served by the infrastructure within the individual Crowns. CIC (Crown Investments Corporation of Saskatchewan) may be asked by the individual Crowns to play a role but with respect to an analysis of individual business initiatives that the Crowns are embarking upon, the answer is the department does not do that.

**Mr. Wall:** — Thank you, Mr. Minister, Mr. Chairman. A question then more specific to the area that my colleague from Lloydminster was getting to, an area of your department called the information technology office and we see some additional resources for that office in this budget.

Earlier this day we highlighted concerns by your predecessor with another project of the government called ISC (Information Services Corporation of Saskatchewan), and the concerns related specifically to your department and to this subvote, at least for a part of it anyway. The concerns were, specifically regarding the potential for ISC as it apparently expands from its land and geomatics role into more of an IT sort of generalist,

there is concerns that it would be competing with other IT involved agencies of the government. Listed were two, SaskTel and this particular branch of your department.

And so I wonder, Minister, if you would comment on that and whether you agree that indeed, if they do expand into this, there could be some infringement by ISC into this area of your department?

**Hon. Mr. Lautermilch:** — Thank you very much. Mr. Chairman, this arm of Economic Development is basically to serve the executive side of government and that's what it is as I understand. ISC, it was established to deal with land titles and automation of the land titles systems. We see no reason to believe that there would be any infringement on what this department and what this component of our department does.

(21:15)

**Mr. Wall:** — Thank you, Mr. Minister. I guess what we're hearing then is that it's believed now that these concerns were unfounded at the time that they were made, or maybe they are now or . . . but basically currently they're not well founded.

There was another concern that was raised as well, and it certainly concerns your role as the Minister for Economic Development. One of the important industries in our province of course is the IT industry. I know I had known and met personally with several small companies in this particular industry in Saskatoon. And they're relatively new companies, but they're certainly vibrant and they're growing, and they will be an important part of our economy as we head off into the future.

And there was a concern expressed, again by your predecessor in a note only three months old or so, I guess four months old, about that particular industry, and about whether or not the expansion of ISC beyond the roles that you mentioned, Minister — and I don't think people would disagree that that was the understood original mandate of this corporation, land titles automation and geomatics — but as that role expands there is a concern, it was expressed quite well I feel by your predecessor, that there is a potential to infringe upon the small but growing information technology sector here in our province, that they will be getting into areas of business and commerce that are currently being provided by the private sector, or at least that the private sector has aspirations to provide in the future.

And so I wonder if you'd comment on that, on whether you agree that there is a concern with respect to the private information technology sector.

**Hon. Mr. Lautermilch:** — Mr. Chairman, I just want to say, as our department's developed new electronic services for the people of this province, I think it's fair to say that we're stimulating the development of the IT sector. For the most part, private IT companies are contracted to develop these services, and these companies are able to develop new skills by creating innovative services, and they can then be applied to private sector entrepreneurs to make their businesses grow.

With respect to private sector industry, I think it's fair to say that, as minister, very much I support the growth of that part of

our economy. It's an important part of the economy; there are some growth opportunities. And I want to say that as the minister, and I know this department is very much supportive of the private sector developing in all areas of the economy, and this one is no different than any of the others.

**Mr. Wall:** — Thank you, Mr. Minister. I certainly accept what you are saying and I don't think you'll find much disagreement with that. But the question I think is, do you feel there is a potential as this new corporation of government expands into other general IT areas, and granted we don't know exactly what that all might be but certainly that there is an expansion we know that. And so the question is this: do you agree that the expansion of that corporation into these more general IT industries will in fact result in an infringement on the private information technology sector that we currently have here in the province?

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, I would rather deal with fact than a hypothetical scenario. I say that this department is well aware of the work we're doing internally. We're well aware and I hope the general public is well aware of the support we have for the growth of business opportunities in the province.

And I'm here to answer to the projected expenditures for the years 2001-2002 for the Department of Economic Development posted in the blue book and that's what I intend to respond to tonight. I'm not going to hypothesize or speculate. I'm here to deal with fact.

**Mr. Wall:** — Thank you, Mr. Chairman. Thank you, Minister. I think it's fair to say as we deliberate on these numbers here that we're also talking about the general role of your department and how these resources help you carry that role out. And certainly a part of that role, as you have mentioned, is to encourage the growth of and the expansion of Saskatchewan industry, small, medium and large.

And really that's what these questions go to the heart of. Here you say you're only interested in dealing with facts. Well it's not very subjective to suggest that other forays of this government into the private sector, and I can point to SecurTek as a good example, one that I know a few facts about in terms of their impact on small businesses because I felt that impact through constituents' concerns voiced directly to me.

One of the impacts when Crowns do that of course is that they are competing with, with considerable resources, with the resources of the Crown and the resources of a large company, they are competing with small businessmen and women from across this province. And that would be of a concern to you. That would be of a concern in terms of the resources you're committing on one hand here in these estimates to try to buttress and support that particular industry.

And on the other hand, another arm of government is certainly affecting it in a negative way when they go into competition against these same small businessmen and women that may even occasion your offices in the regional areas for business planning and counselling.

So it's very germane to the issues that we're talking about here

today. And we simply asked, if you want to treat it more generally, does your department have any concerns at all about ISC or any other Crown's forays into the private sector where they are clearly competing with small businesses that look to you and your department for leadership in the province of Saskatchewan.

**Hon. Mr. Lautermilch:** — Mr. Chairman, I think it is fair to say that the responsibility of this department and me as the minister — or myself as the minister — responsible for it, is to ensure that there is a good and a stable business climate here in the province. And I intend to do that.

We've developed policies where we can facilitate investment and attract investment from our federal counterparts in terms of research and development. And I want to say that that is very much a climate that I think has been focusing specifically at the Saskatchewan business community, and I think that the economic growth that they have helped to provide has created very much a good base to build the future of this province.

Mr. Chairman, I want to say with respect to specific questions as it relates to the Crowns, the member can certainly avail himself of the officials and of the ministers at Crown Corporations Committee, which is the format and the venue that would allow these questions to be asked.

I would just close by saying, what we're looking for here in this province and what I would like to see and I think the people of Saskatchewan would like to see, is a balance. I think they see a role for all the different sectors of our economy — whether it be the co-operative sector or whether it be the private sector or whether they be the public sector. They all have had historically a role to play.

So in terms of the overall development of our economy we use the tools that work for us in this province. I don't think there's any one template. It's a matter of creating a balance and a balanced economy, a strong urban economy. We know that we've got some work to do in rural Saskatchewan, as that part of our province is very much in a transitional phase. We know that we have some work to do in value adding our commodities and we know that there are private sector investors who are willing to do that.

We also know that the co-operative sector plays a big part, but we also know that the public sector has played a part in the development of this economy.

**Mr. Wall:** — Well, just to thank the minister and his officials and, Mr. Chairman, and to offer encouragement that the department do whatever they can actually to ensure that other arms of the government aren't running counter to the efforts of your department in terms of the small business sector.

And also very briefly to thank the minister and Tourism Saskatchewan who provided a lot of information on a question I had asked during our last session on hoof and mouth disease and the many people who are in the working ranch industry in the province. So thank you.

**Mr. Wakefield:** — Thank you, Mr. Chairman. Mr. Minister, if I could then just follow up on that particular question with

something that is maybe a little more generic.

Under information technology, the definition or the explanation says provides government-wide policy development and coordination. Could you give me — and I agree this is a very important section that has a lot of potential — could you give me some ideas of what your department is doing in developing policies so that this particular industry, information technology, can begin to flourish in this province?

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chairman. I think it's fairly clear that the public is demanding, and when it's available, certainly using more Internet Web sites, all of the things that come across that screen when you punch that button and make those things happen. And what we have been working on and will continue to work on is to improve the government Web site. I think there's some work yet that we need to do on that. We need to open those doors and those windows to have an open portal to the different lines and the different parts of our government.

We've been working with our partners. As you will know CommunityNet is a very large initiative that we think will have some very wide-spread economic benefits in the province, once it is finally established in the 366 towns and villages and communities that I mentioned a little earlier.

We've also put in place a \$2.35 million Government On-Line Fund to assist the departments in achieving two targets set out by the e-government strategy — and that's by 2002. We're attempting to have all paper-based forms used by the government available on-line. And that by 2004, 90 per cent of the transactions between the provincial government and Saskatchewan citizens will be available on-line as well.

And I think this speaks very much to looking to the future. The ability to do business in small-town rural Saskatchewan, the ability to do business in the far North of our province, no matter where you are. And so I think these are all things that will have a very positive benefit for our province. And what we do is attempt to coordinate, to improve security so that the public has confidence that transacting business on-line works and works well. But they have to have that system in order to make that happen.

So I think the other component is that we are attempting to work with the civil service and the business community and the public about their rights and about their obligations under Canadian privacy law. So it's not only putting the service in place, but insuring that it's a system that will protect business, that will protect the general public.

So we have a little work to do, but I think division and the focus and the direction is the right direction. So the policy is to put that framework together, then attempt to establish the capital in order to make the infrastructure and have the infrastructure there, and that's the role that our department sees itself playing in a very large way.

**Mr. Wakefield:** — Thank you, Mr. Minister. Mr. Chairman, I think in order to encourage as much of this information technology to develop in the province is a very laudable objective. I think we have to go full tilt in that particular

direction.

But we have to remember that there are lots of companies that want to play in this particular game, that have a lot of expertise and want to expend. And we also have to realize that there's a lot of competition from outside of our particular province.

I guess the question would be from the provincial budget a year ago when information technology services were . . . provincial sales tax was applied to that, do you see that as a particular deterrent in our ability to expand the role or expand the development of information technology and in particular as we are competing against other jurisdictions in Canada?

(21:30)

**Hon. Mr. Lautermilch:** — Mr. Chairman, and to the member opposite, I think there is no doubt that if we had our choice we wouldn't have a sales tax in the province whether it be on Web design or whether it be on other initiatives or other services or other sales in this province. I mean the goal and the desire would be to have zero tax. But we, as this government, as all governments should, have to live in the realm of the possible and the reality. The reality is that people in Saskatchewan don't want to see deficit budgets. Their priority was for income tax reduction. We put in place a plan to reduce that.

But I want to remind the member that we have reduced, in a very substantive way, the provincial sales tax. We're the lowest tax with the narrowest base of any province outside of Alberta who has no tax. And why do they have no tax? Well, pretty simple. They've got billions of windfall oil and gas revenue; they as well have a much lower debt level than we have.

We spend in the neighbourhood of \$650 million a year servicing our provincial debt. Now if that provincial debt were to just suddenly and miraculously disappear, there wouldn't be a need for sales tax and we could have a zero sales tax, so this wouldn't be an issue. But unfortunately the people who preceded this government in the 1980s embarked upon spending patterns that people of Saskatchewan never want to see again. And they racked up a billion two a year in debt. It totalled at the end of their term \$16 billion. We've got that down to something in the neighbourhood of eleven, eleven and a half billion. But the fact remains it's still there; it needs to be paid down.

Do I see sales tax as a difficulty for us? Of course I do. When you're competing with a zero tax province no one should deny that that differential between a zero tax province and our province is an irritant and it is. We're working as fast as we can and as best we can to manage this province out of debt. And in the last ten years I think we've had a pretty good go at that and I think we've had some success.

Have we had enough success? The answer is no. But we live within the reality and tax reductions have to happen as they can occur and when it's sustainable because it doesn't make any sense to this year reduce a tax knowing in three, four years you may have to impose the same tax again. So is sales tax an impediment? Well, I would have to say in the Saskatchewan context I think that all Saskatchewan businesses who are competing with each other are playing under the same rules.

You talked earlier tonight about a level playing field. In Saskatchewan quite clearly there is. Our goal is to reduce that tax to a point where it really isn't relevant any more. And that might be five points, it might be four, it might be three. But that'll only be done when you stack that up against people of Saskatchewan's other priorities, which in the past were income tax, both corporate and personal. In this budget a reduction of the small business tax by 25 per cent, and an increase of the threshold from 200,000 to 300,000.

So what we're trying to do is listen to people, determine what their priorities are, and if in the realm of our fiscal reality we could move on those things, we do.

**Mr. Wakefield:** — Thank you, Mr. Minister. I think we can agree that if we can reduce the tax it would certainly be doing the right thing for the industry. I think in another day you and I may have to have a little chat about how we go about doing that, and at what rates and so on.

However, under the estimates for Economic Development, I would like to move on to just another area if I could. And that would be the subvote on Tourism Saskatchewan. The question that I might have under that subheading would be along this line.

I really . . . I believe, and I think you do too, that there is a huge potential for tourism in Saskatchewan. I think it's rather maybe untapped, and I think you have the right format, and maybe the right people in place to try and address some of this.

My question would be though, the format of Saskatchewan tourism is an industry buy in and your department supplies a certain amount of funding. Do you agree that that format should be enhanced? Should it be changed? Should we be doing something different? Is there an opportunity to develop Saskatchewan tourism even further with maybe some other adjustments in the format of that program?

**Hon. Mr. Lautermilch:** — Thank you very much. Mr. Chairman. I want to say with respect to the relationship between the Government of Saskatchewan and Tourism Saskatchewan, it's very much a partnership arrangement, as the member will know. It was instituted some years ago and I think has been serving the tourism industry in the province very well. But I think we need ongoing analysis in terms of our relationship. There are always ways to improve, I guess the way we dialogue with each other and the way we function, government versus Tourism Saskatchewan.

One of the areas of discussion right now is core funding and we . . . I guess at this point in time and the agreement that we have in place now for this fiscal year, it'll remain at just under \$7 million, although the new arrangement will allow Tourism Saskatchewan the ability to submit a request for incremental funds that will be harmonized within the department's budgeting process. I think it's critical that we allow Tourism Saskatchewan to be able to compete with other jurisdictions, with programs, with advancing opportunities here in the province.

But I think the most critical part of this . . . Funding is important and certainly everyone can use more money to do more good



things, but I think having a look at some flexibility in terms of the number within the Department of Economic and Co-operative Development's budgeting process is important and every bit as important as having a good positive working relationship with Tourism Saskatchewan, with the government, and the business industry . . . and with business.

**Mr. Wakefield:** — Mr. Chairman, is the format having people buy into membership? Do they have to belong to this? Do they become a member of Saskatchewan Tourism? Is there a way that they themselves are contributing to the ongoing . . . I noticed over the last, I think probably three years at least, the level of funding has not increased but I'm sure the expenses for Saskatchewan Tourism has increased. So is there an increase in membership with an increase in revenue generated from the industry?

**Hon. Mr. Lautermilch:** — Thank you very much. Mr. Chairman, I want to say to the member opposite that there is no doubt that the relationship between the industry, Tourism Saskatchewan, their association, and the Government of Saskatchewan is working.

I am told that we have . . . Tourism Saskatchewan has 2,000 paid up members which makes it the largest association in Canada. So I think it speaks something to the partnership that's been built.

In terms of funding, the new agreement is going to allow for the discussion to take place with respect to what is an appropriate core funding. I think it's fair to say that Tourism Saskatchewan is not like — not unlike — other RMs who are responsible or who depend on government support for many years in this province, spending in many areas has been flat.

Now do we see an opportunity here to build tourism — certainly we do. This is clearly the right vehicle and we are open and we are in the process of looking at the core funding and a new core funding agreement with Tourism Saskatchewan, and hopefully we can find a figure that makes everyone happy.

**Mr. Wakefield:** — Mr. Chairman, I would agree. I think that the format is right; and I have spent a little time reviewing the program and I understand it to the level of where I think it has a lot of benefit.

The question I would have would be this: that Saskatchewan tourism can't operate necessarily on its own. It has to work in an environment with other organizations in your government and the organizations — and agencies — within your government.

I want to bring an example, a specific example, that I think will bring this home. I have a constituent in my home city that is very interested in developing a tourism facility in northern Saskatchewan. He has tried now for over a year, almost two years. He has substantive money to invest.

He is not able to move ahead in terms of being able to acquire leased land. He's not able to move ahead in terms of developing his tourism dreams in terms of an all-weather family holiday centre, and I'm not sure what the roadblocks are specifically. I guess I could guess.

But the roadblocks are not with Tourism Saskatchewan. The roadblocks are trying to co-ordinate with other departments in the government and as a result he is to the point of frustration and finally will be taking his 2 or \$3 million to either northern Alberta or northern British Columbia. And I think that's a tragedy because we need that kind of investment, we need that kind of loyalty to our province, and yet we're turning people away because of that.

**Hon. Mr. Lautermilch:** — Well, Mr. Chairman, I would be more than willing to discuss the specific issue. I'm not aware of the details nor the individual that the member speaks of, but I want to say that I'm very much open to discussing, on an individual basis with the member, the specifics of this case. And I hope the member will take me up on my offer. I am very sincere. I like to see investment. I want to see investment in the province.

But I think it's also fair to say that, you know, just the relationship — Tourism Saskatchewan first of all, as the member will know, is not a regulatory body. There are different regulations with respect to the environment, different conditions and policies in terms of developments in northern Saskatchewan, and sometimes there are conflicts between the desires of the developer and the regulations and policies put in place to protect the environment, the ecosystem, and all of the things that we are able to sell northern Saskatchewan for.

With respect to operations in Saskatchewan, I think that we do have some very unique opportunities in that we do have a part of the world that is largely intact. And that's part of the beauty of what we have to sell in this province. There are few areas in the world left where one can, it seems, catch endless amounts of pickerel in a beautiful stream that you can see to the bottom. I think our neighbours to the West might envy us with respect too, the fact that we still have kept our resource intact. And it is there as a marketable initiative and marketable opportunities, and does attract people from throughout the world.

In terms of a development that is having difficulty, I can say to the member opposite, I can't guarantee that we can be successful but I'm certainly more than willing to listen to the member's case as he would present it to this particular individual.

(21:45)

**Mr. Wakefield:** — Thank you, Mr. Minister. I appreciate the offer. I guess I used the example to draw attention to the fact that there is a bigger problem. And I think we have to solve this, not by redirecting people to various agencies and departments, but I think there should be an one-stop approach to this, and try to co-ordinate it.

Albeit we have to recognize environment, we have to recognize other priorities that is the responsibility of the governance of the province. So I do appreciate your offer and we'll likely discuss this. I think we've discussed it with some of your people in Saskatchewan tourism already.

I just have maybe one more question to follow up if I could. And that would be, there is a — I would see — a real opportunity to develop Saskatchewan tourism trying to attract

American dollars into our province. I assume that there's quite an effort being made to attract Americans here. But with the dollar at whatever it is in the low 60s, mid-60s cents, I would imagine that we should be having a swarm of Americans coming into our province. Is that on the increase? Is that a potential that we can tap? What's being done in that vein please?

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chairman. The member, as I share this information with him, will know that it's not my brilliance that achieved this. My official had the facts right beside him on the page.

So I will share with you that the American expenditures increased 18 per cent in, I believe it's in the year 2000, up to \$158 million. Non-resident dollars in the province were 444 million in 1999 and that increased 9 per cent over the year before. So we're seeing some growth and I think it's not . . . it's fair to say that it's not totally overwhelming growth but it certainly is there. The fact that the American expenditure is up 18 per cent I think speaks well of the businesses who are the people who attract the Americans to Saskatchewan.

**Mr. Wakefield:** — Thank you for that information, Mr. Minister. I certainly encourage Saskatchewan tourism to continue the work they're doing trying to attract dollars from outside of Saskatchewan. That is a real lifeline; that is dollars that, particularly from the Americans, can be in a multiplier effect and that's very important.

One of the things that will likely keep people coming back — which is I think an important aspect of tourism — is the quality of life here in Saskatchewan, the quality of our environment, and the friendliness of our people. So that's just a comment that I wanted to add.

If I could now, Mr. Minister, I'd like to ask a question or two in the remaining moments that we have regarding Saskatchewan Trade and Export Partnership, if I could. I'll wait for your official to get seated. Under the program — Saskatchewan Trade and Export Partnership — I understand it's a similar organization where we have a lot of industry buying into the aspect of export and trade, and in fact are in that particular business, and a small amount of your budget goes toward them in lump sum and it's administered by that organization. Is that a correct assumption?

**Hon. Mr. Lautermilch:** — I think your analysis of the arrangement that we have with STEP (Saskatchewan Trade and Export Partnership Inc.) is fairly accurate.

**Mr. Wakefield:** — Thank you, Mr. Minister. Could you give me an idea of how many members there are in this STEP program? Any idea of the number of countries? And could you give us an idea of the amount of export dollars that are being generated under this particular program? Is it on the increase? I think that would be a real good indication of the success of this program.

**Hon. Mr. Lautermilch:** — Thank you very much. Mr. Chairman, I'm told that the number of corporations, full-service corporations, that belong to STEP are at 220 — 220 which is up 70 in five months. So I think it really does speak something to

the, you know, the wealth of assistance that STEP has provided industry here in the province.

I'm told that they do market intelligence, they do . . . and provide leads to businesses in terms of areas that they have been able to develop these contacts. And I think really what says it all is the amount that we've seen in terms of exports. Export sales in Saskatchewan in the year 2000 increased by 28 per cent. So I think that is . . . it speaks a world of what STEP has been able to achieve working with industry, on behalf of industry, and partnership with the provincial government.

**Mr. Wakefield:** — Thank you, Mr. Minister, those numbers are very encouraging. And I certainly would support any initiative that would increase numbers like that for the benefit of this province.

I do know though, Mr. Minister, that in some of these exports out of Saskatchewan and internationally from my previous experience in an earlier life I realized that there's always complications. The deals aren't always very smooth. Most of them are fine. Some get very complicated and some can get actually downright messy. What risk is the province at in any of the exports by the companies? Is there any risk by the province as such?

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chairman. With respect to the risk to the provincial government, STEP provides law and recourse advice. They would use normal business practices to determine agreements that they may reach with people in other parts of the world and companies in other parts of the world. But with respect to the liability of the province through STEP, the answer is there isn't any.

**Mr. Wakefield:** — Thank you, Mr. Minister. Is STEP itself at any risk? If a particular export deal goes a bit sour, is STEP as an organization at any risk and through them the province?

**Hon. Mr. Lautermilch:** — Mr. Chairman, the answer is no. They do provide advice. They provide leads. They provide market research, but it's all non-recourse in terms of what STEP does. I'm told that some of the contracts that happen with SEDA (Saskatchewan Economic Developers Association), you know, their services basically from the members that are purchased by SEDA through STEP, there's insurance that is available and that is used in those circumstances.

**Mr. Wakefield:** — Thank you, Mr. Minister. To encourage exports out of Canada there is some kind of financial incentives, loan guarantees, or export . . . such entities as Export Development bank. Does the province of Saskatchewan assist STEP with those kinds of export dollars as well in terms of bridging financing or just some kind of on a loan basis to help them?

**Hon. Mr. Lautermilch:** — Mr. Chairman, the province has no programs with respect to the issues that you've raised.

**Mr. Wakefield:** — Mr. Minister, it may be in the future something that you may want to look at if that would facilitate the loan . . . the exporting of any particular commodity from this province. I know there are other agencies that will look after that and private capital funds as well. But it may be

something we want to look at.

Mr. Minister, are there specified trade offices overseas? Is there anybody from Saskatchewan assigned to particular areas that either live full time maintaining an office or is there any Saskatchewan people that are specific agents for specific parts of the world?

**Hon. Mr. Lautermilch:** — Mr. Chairman, with respect to the last question, I'm told that the officials of STEP work with I guess 148 trade offices, 600 trade commissioners around the world. We as a province though have trade offices as such.

I want to just refer back to a question or a comment that the member made previously with respect to financing. STEP works very, very closely with banks, with the Export Development Corporation in terms of putting our exporters together with capital to help them facilitate the sales across in other parts of the world.

So the work really that STEP does is created with very limited liability or little if any in terms of helping to facilitate Saskatchewan business opportunities in other parts of the world.

**Mr. Wakefield:** — Thank you, Mr. Minister. I would . . . as I said, I would encourage both the agencies, STEP and Tourism Saskatchewan, to continue doing the work they're doing because of the outside-the-province dollar that they're generating.

And I don't have any further questions in terms of either Tourism Saskatchewan or STEP. Maybe in the future if there's other questions that come up as we continue I'll try and pass them along to you, to alert your officials from those two agencies at least, whether we need to address further questions. But I appreciate them being here to answer those questions.

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Chairman. I want to say, on behalf of our partners in Tourism Saskatchewan and STEP, that we very much appreciate the comments that you've made in terms of the effectiveness and the ability of both organizations to serve industry here in Saskatchewan very well.

And I want to say that although the member opposite and I don't agree on every issue on this, these are certainly two areas that we can. And I want to say that with respect to ongoing information, or dialogue in terms of the operations of either of these entities, I would certainly be more than willing to work with the member opposite in terms of facilitating that understanding.

**Mr. Wakefield:** — Mr. Chair, if I could I would like to thank the officials of the minister for responding to the questions that we had this evening. We have ongoing questions in other areas, but at this point I appreciate the response that we were able to achieve.

The committee reported progress.

The Assembly adjourned at 22:04.