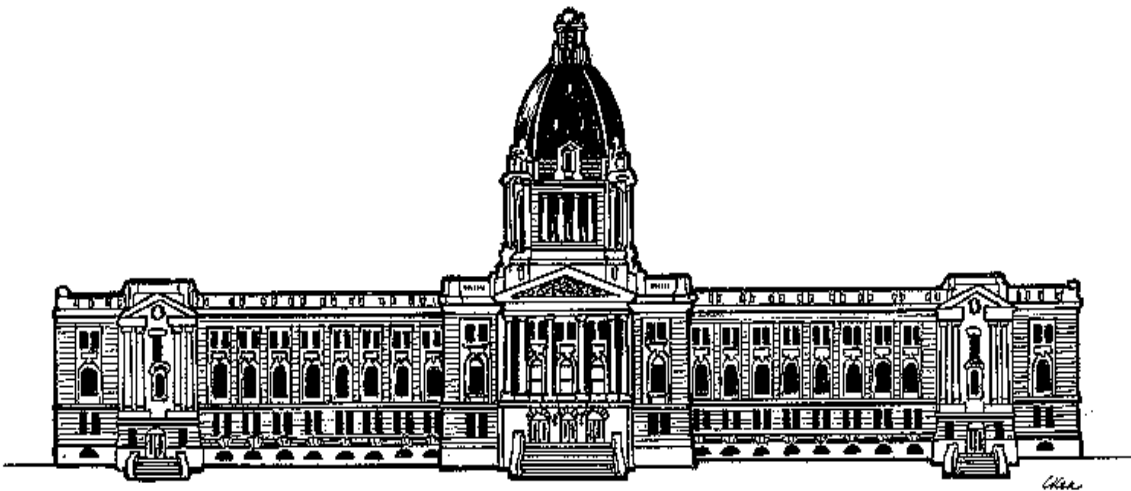




# **STANDING COMMITTEE ON THE ECONOMY**

**Hansard Verbatim Report**

**No. 10 – June 15, 2004**



**Legislative Assembly of Saskatchewan**

**Twenty-fifth Legislature**

**STANDING COMMITTEE ON THE ECONOMY  
2004**

Mr. Eldon Lautermilch, Chair  
Prince Albert Northcote

Mr. Lyle Stewart, Deputy Chair  
Thunder Creek

Mr. Michael Chisholm  
Cut Knife-Turtleford

Ms. Doreen Hamilton  
Regina Wascana Plains

Hon. Deb Higgins  
Moose Jaw Wakamow

Mr. D.F. (Yogi) Huyghebaert  
Wood River

Mr. Kevin Yates  
Regina Dewdney

The committee met at 15:00.

**Bill No. 65 — The Agri-Food Act, 2004**

**The Chair:** — Thank you very much, and good afternoon everyone. We're back in committee doing our estimates this afternoon, and we have before us a number of Bills. We'll be considering estimates on the Department of Labour as well, if we get that far on our agenda. The first item on our agenda is Bill No. 65, The Agri-Food Act. If I could ask the minister to introduce his officials.

**Hon. Mr. Wartman:** — Thank you very much, Mr. Chair. I would like to introduce assistant deputy minister, Louise Greenberg, who is on my left. To my right is Roy White, acting manager of food safety and regulation branch. And next to Roy is Joy Smith, acting secretary Agri-Food Council, food safety and regulatory branch.

And our first Bill is The Agri-Food Act. We believe that this rewrite will provide a wider array of governance structures. It will clarify the role of the Agriculture and Food Products Development and Marketing Council — the Agri-Food Council. It will allow The Agri-Food Act Appeal Committee to introduce a fee for mediating disputes and conducting appeals under the Act. It will introduce mechanisms to deal with nuisance complaints and enforce decisions.

It will update the powers available to agencies established under the Act to reflect current operating procedures, articulate that the agencies established under the Act are not agents of the Crown, clarify the tabling requirements for the Agri-Food Council's annual report, and update the definition of terms used in the Act and its regulations. Thank you, Mr. Chair.

**Clause 1**

**The Chair:** — Thank you very much, Mr. Minister. Clause 1, is that agreed? Mr. Stewart.

**Mr. Stewart:** — Thank you, Mr. Chair. I'd like to thank the officials for accompanying us today. We always appreciate their help. And I'd like to thank the minister as well. I did receive a briefing on this Bill. I do however have a few questions for the record and for clarification.

First dealing with development boards, Mr. Minister, in your second reading speech detailing this Bill you stated that the changes here have to do with the check-off that is in place. These check-offs already exist, and I just wonder what precisely is changing in that regard?

**Hon. Mr. Wartman:** — There are two elements really. One has to do with governance, where a non-producer can be appointed to the board and hopefully to bring balance and different sight. And secondly in terms of the check-offs, the issue really is to expand the ways that check-offs can be applied, not only to marketing, but they could be applied to acreage or, in the case of beekeepers, to the number of hives.

**Mr. Stewart:** — Thank you, Mr. Minister. Mr. Minister, the Act currently on the books doesn't list — does not, that is —

list the power and authority of the commissions in marketing, marketing boards. How are the powers of those agencies currently determined, and why was this new route taken?

**Hon. Mr. Wartman:** — Basically the powers are the same as under section 8. There is an additional power that is granted, and that is the power to extend loans and grants.

**Mr. Stewart:** — Thank you. And how are these powers currently handed out to the agencies, Mr. Minister?

**Hon. Mr. Wartman:** — They are determined by regulation.

**Mr. Stewart:** — Would that be the regulations accompanying this particular Act?

**Hon. Mr. Wartman:** — No, they're not.

**Mr. Stewart:** — Some people most potentially affected by this Act are those independent producers dealing in smaller quantities of products in supply-managed industries but outside of the quota system. This Act appears to give current marketing boards much more ability to limit these producers and, if you will, police them. Were any of these independent producers consulted about this Bill?

**Hon. Mr. Wartman:** — Yes. In terms of the consultation process, Eugene Bendig was hired to engage in that process, and hired . . . and in that, consulted with a wide range of producers inside and outside the supply-managed system.

**Mr. Stewart:** — Thank you. Pursuant to letters that I've received from yourself, Mr. Minister, will you undertake, for the record, to maintain the thresholds for independent producers at their current levels in the regulations that will accompany this Bill?

**Hon. Mr. Wartman:** — I have no intention to change the regulations on those thresholds.

**Mr. Stewart:** — Does this Bill give marketing boards, Mr. Minister, the ability to levy retroactive fines against independent producers for perceived past infractions?

**Hon. Mr. Wartman:** — No it does not.

**Mr. Stewart:** — Mr. Minister, what will the marketing board's authority be as far as entering the property of producers in Saskatchewan to check on whether they are following the rules set down by the marketing boards?

**Hon. Mr. Wartman:** — Previously a warrant was necessary in order to investigate a property and that will remain the same with this Act.

**Mr. Stewart:** — Thank you, Mr. Minister. With what appears to be a greatly or somewhat increased authority in power for the marketing boards, one would hope that more accountability will also be placed on them. Can you tell us precisely, Mr. Minister, what is being done in that regard through this Bill?

**Hon. Mr. Wartman:** — In terms of accountability, council

powers are enhanced. They will have the power to revoke orders and they will also be able to have some proactive powers in terms of asking for plans of the producers.

In terms of . . . One other element as well will be in terms of a minister's powers, where we could remove or the minister could recommend removal or suspension of a board or a member of a board.

**Mr. Stewart:** — Thank you, Mr. Minister. Through this Bill, is there indeed more accountability placed upon the board or requirement for more accountability placed upon the boards? And if so, how does that come about?

**Hon. Mr. Wartman:** — Let me just make a correction before I answer the second part there and that is that the minister's powers do not deal with, I can't . . . the minister cannot revoke an individual board member's position. And I'll just check on the other.

I think we'd have to say that there haven't been any specific measures increasing accountability. But in the past where there has been difficulties, we have been able to appoint an administrator to deal with concerns and problems and to help make the boards more accountable to the Agri Council . . . Agri-Food Council.

**Mr. Stewart:** — I take it that will be the procedure under this new Bill as well.

**Hon. Mr. Wartman:** — Yes. There is no change on that side.

**Mr. Stewart:** — Thank you, Mr. Minister. Can you tell us about the appeal process that is put into this legislation and what improvements have been made for producers who might tend to disagree with decisions made by some of these agencies?

**Hon. Mr. Wartman:** — Okay. I think there are a couple of changes that are important. One, the period for appeal now is expanded from 45 to 90 days. And one other one I think that will be . . . should be quite helpful is that the complainant needs to show that the appeal merits hearing, that is they need to be able to prove that it's not frivolous or vexatious.

And finally, the appeal committee now can vary a decision of the board, if they see the . . . see a problem there, they are able to stop that or reverse it by their decision.

**Mr. Stewart:** — Mr. Minister, that leads to my next question. That point did catch our attention — that the appeal committee can refuse to hear appeals that they consider to be frivolous or vexatious. Mr. Minister, can you tell us more about this provision and what safeguards are in place to ensure that such authority is not abused and that legitimate appeals are not turned away.

**Hon. Mr. Wartman:** — That is an important question because we do not want to take producers' voice away, but I think history would say that there is some concern about appeals that are either vexatious or frivolous, and nobody wants to have their time wasted. But in terms of making sure that the voice of any producer is not taken away, there is always the appeal to

Queen's Bench court.

**Mr. Stewart:** — Thank you, Mr. Minister. That would have been my next question. But to follow up on that, are there criteria in place to determine what would be a frivolous or a vexatious appeal?

**Hon. Mr. Wartman:** — We'll ask Roy to address that.

**Mr. White:** — Mr. Chairman, under the Act there will be an opportunity . . . or there will be authority to enact regulations regarding the appeal process, and it would be in those regulations that such criteria would be embedded.

**Mr. Stewart:** — Thank you.

**Hon. Mr. Wartman:** — I should just note there was also one other item, Roy, that was with regard to the appeal process.

**Mr. White:** — Yes. Mr. Chairman, the Agri-Food Council now will have more power to independently investigate complaints of persons who are aggrieved by a board or commission, when the circumstances aren't such that an appeal is warranted. And under the new Act it's proposed that the council have more extensive powers of investigation.

**Hon. Mr. Wartman:** — And I think that speaks directly to the question about is it a frivolous or vexatious appeal. They'll be able to look into it more fully than they could previously.

**Mr. Stewart:** — Thank you. What steps, Mr. Minister, has your government taken to get more quota in these industries for our province, so that these industries can contribute, contribute more to growing agriculture in-province?

**Hon. Mr. Wartman:** — I think Roy would love to address that.

**Mr. White:** — Mr. Chairman, I've been working with these industries for a number of years. Two significant events, I guess, have taken place in that regard. In 1998, I'm pleased to report that the department — under that time I think it was Minister Lingenfelter — was successful in convincing the national chicken agency to double Saskatchewan's quota.

Now on the basis of arguments that in Saskatchewan we have an increased level of comparative advantage with respect to other provinces, and we were successful in convincing the national agency, who is essentially the home of the power for allocating quotas amongst the provinces. So in '98 in chickens, we were really quite successful in increasing and obtaining more quota for Saskatchewan.

Right now, Mr. Chairman, we're in the process of trying to win a similar recognition from the Canadian Egg Marketing Agency. And we have been in the process since about the year 2000, trying to convince the national egg marketing agency that Saskatchewan, through its comparative advantage of production, should be able to win more quota when it comes time for the national agency to allocate new quota.

Two significant factors weigh in the results of that campaign, if I may add. And that is one, it's a fairly static growth curve in the Canadian Egg Marketing Agency with respect to table egg

quota. So that would mean then in the future there won't be a lot of quota coming to Saskatchewan because essentially there's just not much growth in the table egg market. And the second thing is that the Canadian Egg Marketing Agency right now does have a set of powers and does have a policy that is counterproductive in terms of Saskatchewan's ability to increase its relative share in the future. And we are in a discussion with the Canadian Egg Marketing Agency right now to provide more opportunity in its criteria for allocation . . . for allocating quota to Saskatchewan on the basis of comparative advantage of production.

**Mr. Stewart:** — I understand from that the department has some fairly up-to-date figures on comparative production advantage for Saskatchewan as against other provinces. I wonder if you could tell me roughly how we rank. Are we the most efficient province in that regard, or are we close to the top, or the middle of the pack?

**Hon. Mr. Wartman:** — Pretty close to the top end on that one. And one of the other factors too, that I know Roy meant to mention, was that as we're engaged in these discussions we're also trying to get the federal government to move away from basing the numbers on population which really always puts us at a disadvantage at this point.

**Mr. Stewart:** — Well thank you, and I think unless my colleagues have questions, I think that's all that I have, Mr. Chair.

**The Chair:** — Okay, thank you. If there are no further questions, I would like to ask leave of the committee to vote these section by section as opposed to clause by clause, if that is acceptable. Is that agreeable?

**Some Hon. Members:** — Agreed.

**The Chair:** — Okay. Part 1. Is that agreed?

**Some Hon. Members:** — Agreed.

Clause 1 agreed to.

Clauses 2 to 47 inclusive agreed to.

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: The Agri-Food Act, 2004.

Could we have a motion to report this Bill without amendment?  
Mr. Stewart has moved.

**Mr. Stewart:** — Thank you, Mr. Chair. I do have just a couple of questions on this Bill if I may, on the . . . Oh, we haven't got there. My apologies. I thought we were . . . ahead of us.

**The Chair:** — We're just voting off Bill No. 65.

**Mr. Yates:** — I move we report the Bill without amendment.

**The Chair:** — Thank you very much. Mr. Yates has moved that the Bill be reported without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

The committee agreed to report the Bill.

**The Chair:** — Now, Mr. Stewart, the next . . . Mr. Minister.

**Hon. Mr. Wartman:** — Before we move on to the next Act, I would like to thank the officials from Agriculture and Food for their work on this matter. Particularly I would like to thank Roy White and Joy Smith for their attention at this meeting.

**The Chair:** — Mr. Stewart.

**Mr. Stewart:** — And I would like to express my appreciation to the officials as well, and particularly for the briefing that I had a few days back and the minister's co-operation as well. I know that this Bill did come to us rather late in the game and whatever the reasons for that, the briefing was helpful and the officials have been very helpful. Thank you.

**The Chair:** — Thank you, Mr. Stewart, Mr. Minister.

#### **Bill No. 66 — The Cattle Marketing Deductions Amendment Act, 2004**

**The Chair:** — The next item for consideration is Bill No. 66, The Cattle Marketing Deductions Amendment Act, 2004. Minister Wartman, if you would introduce your new official?

**Hon. Mr. Wartman:** — Thank you. Louise Greenberg, our assistant deputy minister stays here to help with this one as well. And new official is Mary Jane Laville, manager of inspection and regulatory management branch for Ag and Food.

We're dealing with The Cattle Marketing Deductions Act, 1998. The proposed amendments to this Act will provide authority to collect provincial check-off on interprovincial sales on behalf of other provinces and remit them to the national agency and provide authority to receive provincial check-off collected on our behalf in other provinces remitted to the national agency and returned to Saskatchewan to be deposited in the provincial account.

These are very important amendments to our producers that will enable them to receive the check-offs on cattle that are moving across the borders.

#### **Clause 1**

**The Chair:** — Thank you very much, Minister. Clause 1 agreed? Mr. Stewart.

**Mr. Stewart:** — Thank you, Mr. Chair. Mr. Minister, it is my understanding that the industry is quite in favour of this Bill and so of course, as always, we don't want to do anything to hold it up.

One or two questions though regarding, I take it from my understanding of this Bill that this only applies to cattle across provincial borders.

**Hon. Mr. Wartman:** — Yes. That is correct.

**Mr. Stewart:** — Is there any provision in the Bill to take a check-off on imported cattle from the United States?

**Hon. Mr. Wartman:** — I'll ask Mary Jane to address that, please.

**Ms. Laville:** — Okay. There is provision in the Act currently that allows us to continue to collect until there are other federal levies orders that would be put in place to support the national agency.

**Mr. Stewart:** — Thank you. Does this apply to all classes and ages of cattle — I'm referring to feeder cattle, slaughter cattle, and so on — that might be crossing the boundaries?

**Ms. Laville:** — Yes, it does.

**Mr. Stewart:** — I think that's all I have unless my colleagues have more.

**The Chair:** — Okay. Thank you very much.

Clause 1 agreed to.

Clauses 2 to 15 inclusive agreed to.

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows: An Act to amend The Cattle Marketing Deductions Act, 1998 and to make consequential amendments to The Department of Agriculture, Food and Rural Revitalization Act.

Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Would the member move the Bill be reported without amendment?

**Hon. Ms. Higgins:** — Mr. Chair, I move that Bill No. 66 be moved without amendment.

**The Chair:** — It has been moved the Bill be reported without amendment; is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

The committee agreed to report the Bill.

**The Chair:** — Thank you. Mr. Minister?

**Hon. Mr. Wartman:** — Yes, thank you. I would like to thank the opposition critic, Mr. Stewart, for his co-operation on this. He has already noted that these Bills did come forward rather late — and apologies for that. But we thank him for his co-operation, willingness to do some extra meetings in order to get the information, and also to his colleagues who also would have co-operated in this.

I also want to thank Mary Jane Laville for her work and Louise Greenberg, the assistant deputy minister for her commitment and hard work on these fronts. Thank you.

**The Chair:** — Mr. Stewart.

**Mr. Stewart:** — Well once again . . . Thank you, Mr. Chair. Once again I would like to thank the officials as well. We always appreciate your help. Thank you.

**The Chair:** — Thank you very much, Mr. Minister. And thank you to all the officials who have been here on behalf of the committee.

#### **Bill No. 47 — The Pension Benefits Amendment Act, 2004**

**The Chair:** — The next item for business before the committee is the consideration of Bill No. 47. We will allow the minister time to get his officials all lined up and, when he is ready, would ask Minister Quennell to introduce his officials.

Minister, we have been asked if we could do a change in order. And if we could bring before the House The Labour Standards Act, in which case we would ask Minister Quennell to stand down and Minister Higgins to bring her officials forward if that's not an imposition? Will that work? Oh okay, apparently the glitch that we thought we had is no longer a glitch and we can proceed with Bill No. 47, The Pension Benefits Amendment Act. Minister Quennell, I think we're all ready to go if you would introduce your officials to the committee.

**Hon. Mr. Quennell:** — Mr. Chair, I will introduce to the committee Karen Pflanzner, Crown counsel with legislative services, to my left; and Dave Wild, chair of the Financial Service Commission and Superintendent of Pensions, to my right. And I have a very brief opening statement to allow committee members to catch their breath.

The purpose of this Bill is to update Saskatchewan's pension legislation and to reflect changes that have been made in the pension legislation of other Canadian jurisdictions. The environment in which pension plans operate is constantly evolving. In order to facilitate an efficient and effective marketplace the regulatory framework must keep pace with these changes.

The amendments are intended to ensure that Saskatchewan's pension legislation remains up to date and effective. The amendments introduce specific provisions with respect to flexible pension plans, improve . . . (inaudible) . . . pre-retirement death benefits, enable regulations to be made to raise the threshold for unlocking small pensions, and extend creditor protection to additional voluntary contributions.

We're prepared to answer questions now. I am sure that the committee and I will be both glad that I had the assistance of the officials on this subject.

#### **Clause 1**

**The Chair:** — Thank you very much, Minister. Clause 1, is that agreed? Mr. Krawetz.

**Mr. Krawetz:** — Thank you very much, Mr. Chair. And thank you, Mr. Minister, for those opening remarks as to the necessity for this Act.

You stated that you know that we want to continue to move forward as other provinces have. Is this type of legislation enacted in most provinces in Canada or are we in the lead here?

**Hon. Mr. Quennell:** — Well we're neither in the lead nor trailing. In respect to the provisions to accommodate flexible pension plans, those provisions have been introduced in Quebec, British Columbia, Alberta, New Brunswick, and Nova Scotia.

In respect to the changes to pre-retirement death benefit, allowing the surviving spouse with the option to receive a lump-sum payment in lieu of pension, that change is consistent with pension benefits legislation in Ontario, Quebec, Nova Scotia, and New Brunswick.

As to the changes permitting pre-retirement death benefit to a surviving spouse to waive entitlement to the death benefit, this change is consistent with pension benefits legislation in Ontario, Quebec, British Columbia, and the federal pension regulator.

So it depends on what provisions we are speaking about but there have been changes and updates in various provinces across the country.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, one of the things you indicated of course is that The Pension Benefits Act creates the umbrella for many pension plans. Could you indicate how many pension plans will be affected by this type of legislation? And in that, when you look at that total number of pension plans, how many actual individuals, how many individuals take advantage of additional contributions beyond what is required to create a pension?

**Hon. Mr. Quennell:** — There are approximately 370 pension plans registered in Saskatchewan covering about 131,000 members and about 720 pension plans registered in other provincial jurisdictions which cover approximately 26,000 members employed in Saskatchewan, that would benefit theoretically from amendments put forward in the Bill.

**Mr. Krawetz:** — Could you elaborate on out of province, what did you mean by those pension plans?

**Hon. Mr. Quennell:** — They would be pension plans of employers primarily out of the province I assume, but who have members working in Saskatchewan who would be covered by the changes.

**Mr. Krawetz:** — And so we're looking at a coverage, you know both, in both sectors of about 157,000, if I combine the numbers. And then do you have any idea of as to how many people will contribute additional contributions? The additional voluntary contributions?

**Hon. Mr. Quennell:** — By that you mean the voluntary contributions?

**Mr. Krawetz:** — That's correct.

**Hon. Mr. Quennell:** — Those are relatively rare, but we wouldn't be able to put a number on that.

**Mr. Krawetz:** — Okay, thank you. Mr. Minister, you also indicated in the Act that you are changing a section to ensure that the voluntary contributions are protected from creditors. Could you explain how that will take place?

**Hon. Mr. Quennell:** — The intent is to have the same effect in respect to protection of creditors as is available to RRSPs (Registered Retirement Savings Plan) currently. That is it would not be perfect protection by any stretch of the imagination. Where there has been fraudulent purpose, fraudulent preference, for example, the money would be no more protected in a pension plan than it would be in an RRSP.

The intent is to extend the same protection that is available for RRSP contributions but no more than that to voluntary contributions.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, one of the other questions on any Act is the question about, what was the ... what was the demand or who asked for an amendment to this pension Act? Are you and your officials monitoring the pension benefits Acts of other provinces to try to move forward or is this been due to some individual incident that you've looked at in trying to create flexible pension plans and/or additional voluntary contributions to be protected from creditors?

**Hon. Mr. Quennell:** — It would be a combination of the two, Mr. Chair. There would be a monitoring of what is going on in other provinces and other jurisdictions in an attempt to have a relatively harmonized system across the country. There would also be requests, depending on the provision, from particular organizations.

And if you'll allow me a moment, I think there was a suggestion that came from one particular plan. Yes, the change to the pre-retirement death benefit permitting a surviving spouse to waive entitlement to the death benefit, that will provide a couple with more flexibility in estate planning. Often or sometimes, a spouse doesn't want to take the benefit, would rather the children be designated as beneficiaries. And the plan sponsor, in the case of the co-operative superannuation plan, suggested this change. And that would be an example of a change that's been suggested by a group outside government.

**Mr. Krawetz:** — Mr. Minister, clause 11 states that you are interested in repealing the clause that existed and replacing it with a different definition for small benefits. Could you explain what the rationale behind creating the small benefits and what purpose that would have for individuals?

**Hon. Mr. Quennell:** — Currently the legislation provides that plan members entitled to a pension may not withdraw or surrender any part of the pension. However the legislation does allow payment in cash in lieu of a pension, where the value of the pension does not exceed 4 per cent of the year's maximum pensionable earnings or the annual pension does not exceed 2 per cent of the yearly maximum pensionable earnings.

That figure is determined out of the Canada Pension Plan on an annual basis. And for 2004, that amount is \$40,500. For 2004, Saskatchewan's small benefit limit is \$1,620. This is substantially lower than a number of other Canadian jurisdictions. As well, many financial institutions will . . . (inaudible) . . . provide an annuity based on the existing small benefit limit of \$1,620.

The amendments will allow the threshold to be increased, and the standard that's emerging across the country would see the threshold increase to 20 per cent of the yearly maximum pensionable earnings or about \$8,100 for 2004. So an increase from the \$1,600 number to the \$8,100 number. And I guess there's two reasons for that. One is the small benefit limit in Saskatchewan is quite low compared to other jurisdictions and not very useful for withdrawal and purchasing an annuity.

**Mr. Krawetz:** — Mr. Minister, the two clauses, or the clause no. 11 introduces two sections, (a) and (b), and you've indicated that it will be determined in accordance with the regulations. So are you suggesting then that the regulations will deal with this number on an annual basis and will change that number annually?

**Hon. Mr. Quennell:** — Mr. Chair, not necessarily annually, but it would certainly permit more frequent change than having to introduce a Bill into the House.

**Mr. Krawetz:** — Thank you. Mr. Minister, under clause no. 10 in the explanatory notes, there was reference made to a specific date that the rule with respect to service would apply to January 1, 1994. Can you explain what reference is to that magic date, and how people on pension plans are affected by that date?

**Hon. Mr. Quennell:** — The intent is to remove that date. The existing legislation sets minimum standards for survivor benefits. Currently if a member dies before retirement, the surviving spouse is entitled to receive a pre-retirement survivor benefit that is equal to the value of the member's pension.

However, at the present time this rule only applies with respect to service on or after January 1, 1994, the date to which the member referred. The amendments will modify the application of this rule so that it will apply to all years of service.

**Mr. Krawetz:** — Could you indicate why the January 1, 1994 date was there? I guess that's my question. I'm looking for a bit of a history lesson, Mr. Minister.

**Hon. Mr. Quennell:** — The member should be teaching me. I was elected in 2003. Apparently pension legislation was repealed January 1, 1993, and a year was given for pension plans to accommodate the repeal and the change, and that's why that date was chosen.

**Mr. Krawetz:** — Thank you. My final question, Mr. Minister, deals with clause no. 4. You've indicated that phrase, generally accepted actuarial principles, is going to be replaced by accepted actuarial practice. And the reason I ask this question, Mr. Minister, is we've had some discussions, I've had some discussions with the Finance minister regarding generally accepted accounting principles and the fact that we were moving to that phrase of generally accepted accounting

principles.

And now we're actually introducing an amendment in this Act that says, no, we don't like the words generally accepted and we're going to replace it with accepted actuarial practice. Could you explain what rationale necessitated this?

**Hon. Mr. Quennell:** — Mr. Chair, I'll try. The change is consistent with the terminology used by the Canadian Institute of Actuaries — and maybe Mr. Wild can explain why they would have made a change if they've made a change in their language — and it's consistent with recent changes that have been made in other jurisdictions, and I understand changes that have been made in other legislation.

**Mr. Krawetz:** — Mr. Minister, is there a national body then that determines the accepted actuarial principles or practices that should be followed by all provinces?

**Hon. Mr. Quennell:** — Yes, and that would be the Canadian Institute of Actuaries.

**Mr. Krawetz:** — Will the auditor make comment as to whether or not those practices are being followed? Or who would determine whether or not the Canadian Institute's recommendations are in fact followed by the various pension groups?

**Hon. Mr. Quennell:** — The ultimate arbitrator would be the Canadian Institute of Actuaries.

**Mr. Krawetz:** — Who would alert them to something that may not be acceptable?

**Hon. Mr. Quennell:** — Mr. Chair, I understand it could be anyone who is concerned about the way the pension plan is operating. It could be a member. It could be a beneficiary. It could be a member of the opposition.

**Mr. Krawetz:** — Thank you very much, Mr. Minister.

**The Chair:** — Thank you. Mr. Chisholm.

**Mr. Chisholm:** — Yes, I have one question. And this doesn't relate to the Act; it's just a general question. There seems to be a very large number of people that have pensions. And like I know, just from an example, I have a son that worked on the highways for five days and he has a pension that's five years old, and there's \$72 in it or something. I'm just wondering, is there some threshold where it would be expedient to say, you know, you can opt out of this. Like he gets mail every three months and it just seems a little silly.

**Hon. Mr. Quennell:** — If the plan offers a small benefit rule then I take it he can just remove it. But it's not required that the plan offer that.

**Mr. Chisholm:** — Thank you.

**The Chair:** — Thank you. Clause 1, is that agreed?

**Some Hon. Members:** — Agreed.



**The Chair:** — Carried.

Clause 1 agreed to.

Clauses 2 to 14 inclusive agreed to.

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: The Pension Benefits Amendment Act, 2004.

**Ms. Hamilton:** — I move that the committee report Bill No. 47 without amendment.

**The Chair:** — It has been moved that Bill No. 47 be reported without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

The committee agreed to report the Bill.

**The Chair:** — The next item of business before the committee . . . Oh, Mr. Minister, I neglected to invite you to thank your officials.

**Hon. Mr. Quennell:** — I'd like to thank my officials for their assistance leading up to today, and today, and thank the committee for its questions.

**The Chair:** — Thank you very much, and the committee thanks your officials as well.

#### **Bill No. 50 — The Labour Standards Amendment Act, 2004**

##### **Clause 1**

**The Chair:** — The next item for consideration is Bill No. 50, The Labour Standards Amendment Act. Thank you very much. We are under consideration . . . we have Bill 50, The Labour Standards Act. Madam Minister, would you introduce your officials.

**Hon. Ms. Higgins:** — Thank you very much, Mr. Chair. Mr. Chair, sitting to my left is Glen McRorie, assistant director of labour standards; to my right is Mary Ellen Wellsch, manager of the legal policy and legislative services; also joining us this afternoon are Bill Craik, the deputy minister of Labour; Jim Nicol, the assistant deputy minister of Labour; and also Pat Parenteau, a senior policy analyst. They are all here joining us to address any concerns or questions there may be on the changes proposed to The Labour Standards Act.

**The Chair:** — Thank you very much, Minister. Item one, is that agreed? Mr. Hart.

**Mr. Hart:** — Thank you, Mr. Chair. This Bill, as you . . . Minister, as you outlined in the second reading of the Bill, there's two parts to it: the compassionate leave and then changes to the Minimum Wage Board. I have a few questions with each part of the Bill . . . or each component of the Bill, I guess.

On the compassionate care leave for workers who have loved ones who are gravely ill or dying, I guess the definition of, you know, what family members would be covered by your phrase of loved ones, how far out does it extend in the family? I can imagine if a worker or employee has an immediate family member that's gravely ill or dying, that would qualify. But how far out does the family extend?

**Hon. Ms. Higgins:** — Are you looking for what this change will include with the Employment Insurance?

**Mr. Hart:** — Yes.

**Hon. Ms. Higgins:** — Okay. Sorry for the confusion. What you're looking at is what would be covered in the Employment Insurance Act of Canada so this is under the federal legislation.

This was part of the problem that we had when the federal government brought in the compassionate care leave under EI (Employment Insurance) January 1 of this year, was that our definitions that are in labour standards was not as compatible as we would have liked with the definition under Employment Insurance. And for compassionate care leave, family is defined as spouse or common law partner, child, or parent of the employee, or spouse, or partner, or may be expanded by regulation.

**Mr. Hart:** — So the last phrase, or expanded by regulation, that capacity is within the federal EI Act? And so this Bill 50 that we're dealing with here today is . . . what this Bill does is just make Saskatchewan's environment compatible with the federal regulations? So if there's an expansion to that definition that you just gave, it would be at the federal level. It would be the federal government that would expand that definition.

**Hon. Ms. Higgins:** — The way the changes are worded within labour standards that if . . . The Saskatchewan labour standards are compatible with the federal regulations so if the feds made changes to their definition of family it would automatically fit in with the Saskatchewan legislation.

**Mr. Hart:** — Okay, good. Thank you for that. And I wonder if you could define your remarks of gravely ill or dying. I mean what guidelines are used to define those conditions? On first blush you would think it's pretty simple but I can think that we probably are going to get into some areas that may be grey areas. And so if . . . perhaps then just an explanation of the requirements surrounding that phrase would be useful.

**Hon. Ms. Higgins:** — Now I can give you a brief explanation. But really what this is . . . This again is within the federal legislation. Part of the qualifications — and this is a very simplistic overview — a qualified medical practitioner must issue a medical certificate stating that the family member in question is seriously ill and there is a significant risk of death within 26 weeks of the certificate being issued, or requires the care and support of one or more family members.

**Mr. Hart:** — Good, thank you. At least that gives myself and those people who are, perhaps are watching or are looking at the written text of our discussions here today, gives them a bit more information on that area.

One other question dealing with the compassionate care leave. Will there be any direct cost to employers associated with this compassionate leave?

**Hon. Ms. Higgins:** — They are expected to be minimal, if at all or if any. Already we have 12 weeks of job protection provided under The Labour Standards Act. Now there may be some costs with replacing that worker for the time that they are gone but any projections of costs would be minimal.

**Mr. Hart:** — So additional costs of bringing a new employee in and perhaps phasing that new employee into that position — those sorts of things, is that what you're . . .

**Hon. Ms. Higgins:** — Yes. Whatever investments may have to be made to cover that period of time.

**Mr. Hart:** — Good. Now changes in this Bill 50 to the Minimum Wage Board. I understand that under the current, under the current regulations that deal with the Minimum Wage Board, the Minimum Wage Board makes a recommendation on minimum wage to the cabinet at least once every four years — I'm talking prior to the implementation of Bill 50 — and that cabinet has only to accept or reject the Minimum Wage Board's recommendation.

But under the new provisions in Bill 50, it gives the cabinet more authority to modify board recommendations and that sort of thing. Is that a fair assessment of this Bill 50 and the new changes that are contained within it?

**Hon. Ms. Higgins:** — Well really there's two changes. And you're accurate. What this new piece does is put in a time requirement for reviews to be done on the minimum wage so that the reviews that are done are more timely.

Currently there is no requirement for the minimum wage to be reviewed and hence, we end up with lengthy periods of time where it may not be done. The Minimum Wage Board may not be active until they're requested to begin looking at this; or reactivated, I guess is a word that may be used. So what this does is put in the requirement that the minimum wage shall be reviewed at least every two years.

Also what it does . . . Currently the Minimum Wage Board, by the legislation, has the ability to set regulation on what the minimum wage will be. Cabinet's role in this is to either accept or reject. There is no ability to change the regulation that comes forward from the Minimum Wage Board.

We're the only province that has that regulation making power within the Minimum Wage Board. So what this piece also does is make it a recommendation that comes forward to cabinet. And cabinet, I mean cabinet is ultimately responsible for accepting the recommendation and this, I think, more appropriately shifts the responsibility where . . . I mean it's cabinet that's held responsible for whatever decisions are made anyway, cabinet and caucus. So it's more appropriate, we believe, the way it's set up now, with the proposed changes. Sorry.

**Mr. Hart:** — Minister, did I hear you correctly when you said that under existing provisions the Minimum Wage Board is not

required to bring in a recommendation within a specific time frame? I believe there's at least an understanding, and I must confess I thought I did read in The Labour Standards Act that the provision is they must bring in a recommendation at least once every four years. Now did I misinterpret what I read and what I've been told, or have things changed from the copy of the Act that I have?

**Hon. Ms. Higgins:** — We don't believe there's any timelines within the Act currently. Not for minimum wage.

**Mr. Hart:** — Oh because it's . . . I was in discussion with the Sask Chamber of Commerce recently, and they were of the opinion that the board had to bring a recommendation at least once every four years. So under the existing provisions, did the board just take it upon themselves to bring a recommendation forward as far as minimum wage? Did you, as Minister of Labour, ask the board to bring a recommendation forward whenever? What type of provisions have we got under existing provisions?

**Hon. Ms. Higgins:** — Under existing provisions, there is no timelines within the legislation. If the chamber of commerce was under that impression, I'm not sure where they would have gotten it from. What would happen if there was calls for the board to look at the minimum wage, the Minimum Wage Board Chair would, I mean . . . they convene their own meetings. They work with the department, and we have people within the department that work with the board, but they really set their schedule and set their meeting dates. The responsibility that I have as minister is to make sure the board has its full complement of members so that they are able to do the schedules and maintain the schedules and address the mandate that they have as the Minimum Wage Board.

**Mr. Hart:** — So then what you're saying, Minister, is that even under existing provisions, the board could bring in a recommendation once every two years or once a year, if they so choose. Or in fact they could bring in a recommendation once every five years, if they so choose under existing provisions. Is that correct?

**Hon. Ms. Higgins:** — Yes, there is no deadlines or no timelines for reviews. Now you may be thinking of other legislation that's in place. Committee of review is stated within the legislation that it will be held every four years. Some other reviews are slated in the legislation. But there's nothing for the Minimum Wage Board.

**Mr. Hart:** — Minister, with Bill 50 and its new provisions of having the Minimum Wage Board review and bring a recommendation forward at least once every two years, do you feel that that will increase the pressure to have the minimum wage increased every time there's a review? I'm thinking that if it's being reviewed, there would be an expectation that the minimum wage as a result of the review will be increased.

**Hon. Ms. Higgins:** — I don't believe it will. But that's one of the advantages to having it on a regular review, that it will be more timely in any issues that need to be addressed. And it's a very political process when you announce an increase to the minimum wage, causes some strong reactions on both sides of the issues.

And I believe that having a regular review done of the minimum wage and the other issues that are within the mandate of the board will make it a more routine occurrence or regular occurrence, a more accepting occurrence that people are more comfortable with, instead of generating some kind of concern every time there is a press release that's put out by the Minimum Wage Board or one of the issues that they're dealing with or calls from either side of the issue, what should or shouldn't be done.

I believe there needs to be a more regular forum for this to be discussed, and that was the intent of the regular review being put into the legislation.

**Mr. Hart:** — Has your department undertaken any studies to determine the impact of changing the minimum wage? I hear from both sides of the issue. Certainly the employees' side feel that, you know, you hear people can't make a living at minimum wage and they're probably correct. But then I also hear from the employers' side that when minimum wage is increased, that actually means there's fewer jobs available because employers look at the increased costs and adjust their business and it ends up with fewer positions available.

I wonder . . . and you mention that whenever the issue of minimum wage is raised, it's a political issue. There's strong views held on either side and so on. And I'm just wondering, has your department undertaken any type of impact studies to get to the facts, to see which position, you know, holds more facts, and track, you know, the impact of increases or changes to the minimum wage so that it would perhaps lend . . . The more information people have, I think the less political the debate would be.

And I'm just wondering what your department . . . if in fact your department has done anything, and if so, what has your department done in that area?

**Hon. Ms. Higgins:** — Most of the work that we would do would be in conjunction with the Minimum Wage Board, any assistance that we can offer when they are going through whatever meetings or process or research that they are looking for; but also once the Minimum Wage Board has come forward with a recommendation, we will ask from the Department of Finance to do an economic model of the recommendation and to give advice back on whatever the recommendation is.

Other research that would be done, it wouldn't be on an ongoing basis, but within the department we do keep track of any changes that go on across Canada so we will know where Saskatchewan sits in amongst the other provinces as for a minimum wage. But those are comparisons, interjurisdictional comparisons, that are done on a variety of issues whether it's our labour legislation, whether it's minimum wage, whether it's occupational health and safety. We try and stay current right across Canada to see where Saskatchewan sits.

**Mr. Hart:** — Minister, are you aware of any other departments within government that have done economic impact studies as to the effects of changing minimum wage? And the reason I ask that question is, well, follow-up on my previous question. But also when we first started our consideration of estimates of your department, I had indicated that, you know, human resources

and labour resources are part of the . . . one portion of an economy. I'm going back to, I believe I used the example of my economics 102 class many years ago at university, where they talked in terms of land, labour, and capital. And those were the three areas that were, that in the industry or an economy, what you needed to grow and that sort of thing. So I'm just wondering if your government has undertaken, you know, in that context, any studies, or are you aware of any studies that any other department conducted or are planning to conduct in conjunction with changes to minimum wage.

**Hon. Ms. Higgins:** — Something like that could have been done within Industry and Resources, but I don't want to speak on behalf of another department.

**Mr. Hart:** — Just one more question I have with regards to Bill 50, and this question comes from some of the representatives of the labour movement that I conferred with. And there was a bit of a concern, although I didn't see it, but I feel I should ask on their behalf about: this Bill in no way implements a two-tiered minimum wage system, does it? Because that express was concerned and I felt I would ask on their behalf.

**Hon. Ms. Higgins:** — No. We have consistently, this government has spoken against a two-tier minimum wage for a variety of reasons, and these changes in no way implement a two-tier minimum wage system within Saskatchewan.

**Mr. Hart:** — Mr. Chair, that would conclude any questions I'd have with regards to Bill 50.

**The Chair:** — Thank you very much. Clause 1, is that agreed?

**Some Hon. Members:** — Agreed.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows: The Labour Standards Amendment Act, 2004.

**Mr. Yates:** — Mr. Chair, I move we report the Bill without amendment.

**The Chair:** — Thank you Mr. Yates. It is moved that Bill be reported without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

The committee agreed to report the Bill.

**General Revenue Fund  
Labour  
Vote 20**

**Subvote (LA01)**

**The Chair:** — The next item for consideration is the estimates for the Department of Labour, and they are on page 104 of the Estimates book. We will give the minister an opportunity to place her officials. And, Madam Minister, when you are ready

you can introduce your officials, and we'll proceed.

Madam Minister, if you're ready we will proceed.

**Hon. Ms. Higgins:** — Yes.

**The Chair:** — Are you prepared?

**Hon. Ms. Higgins:** — Yes, we are.

**The Chair:** — Okay, if you would care to introduce your officials. As I indicated earlier, we have before us estimates for the Department of Labour on 104 of the Estimates book. So if you'd introduce your officials, ma'am.

**Hon. Ms. Higgins:** — Thank you very much, Mr. Chair. Mr. Chair, to my right is Bill Craik, the deputy minister of Labour. To my left is Jim Nicol, the assistant deputy minister.

And joining us are Allan Walker, executive director of occupational health and safety; Glen McRorie, the assistant director of labour standards; Marg Halifax, the director of the Office of the Worker's Advocate; Kevin Kuntz, the manager of the budget and operations; Pat Parenteau, a senior policy analyst. And from the Labour Relations Board, we have Melanie Baldwin. And we are pleased to answer questions that the committee may have.

**The Chair:** — Thank you very much. Administration, is that agreed? Mr. Hart.

**Mr. Hart:** — Thank you, Mr. Chair. Minister, in our discussions between our caucus officials and your caucus people, we have agreed that we would keep any . . . we probably wouldn't ask any questions regarding WCB (Workers' Compensation Board) because of some officials not being able to be here.

A matter has arisen that deals with WCB, and Ms. Eagles, a member from Estevan, would like to discuss it, but I'm sure she's prepared to just raise the issue. And so if you would give an undertaking that the WCB would deal with it at a later date, that would be very acceptable, I'm sure.

**Hon. Ms. Higgins:** — Yes, that's not a problem, but we don't . . . Just as long as you're aware, I don't have people here that are able to answer it today.

**The Chair:** — Ms. Eagles.

**Ms. Eagles:** — Thank you, Mr. Chair, and thank you, Madam Minister. Madam Minister, as the member from Last Mountain-Touchwood has just stated that this is a situation that has just been brought to my attention within the last week or so, and I have begun to look into the situation but I also, you know, would be extremely pleased if you would do that as well.

And I'll just read you . . . And I have permission from the family to pass on this information to you. So it's from a person in my constituency, and his mother has been battling with Workers' Comp of Saskatchewan and they feel that they are being treated extremely unfair. And I'll quote the letter here:

Due to my age, I am not positive on which grounds she is being treated unfairly, but it is common sense. For example, they actually bought my mother a walker so that she could move around the house and do her thing. Yet they insist on the fact that she is quite capable of returning to work. Does that make sense to you? Another example, my mother has seen multiple doctors who agree that she is in extreme pain. Yet WCB seems to use their superhuman powers to assume that she is quite capable for work.

And it goes on. And you know, and then he goes on to say:

Ms. Eagles, can you please tell me what kind of work my mother is capable of. If you agree with me, or the WCB, please write to me telling me your reasons.

And I have, as I said, got written permission to pass this information on to you and I also have the claim number. So as you have stated, your officials aren't here, but I would appreciate it if you would look into it, Madam Minister.

**Hon. Ms. Higgins:** — Thank you very much for bringing this to our attention, and if you've got all the information, the file number is important to have. It makes the process much quicker. I appreciate you bringing your concerns and your constituents' concerns to our attention, and I would be more than pleased to pass it along.

So if you have a copy of the information that you have for me . . . (inaudible interjection) . . . No. Good. Thank you very much. And we will correspond . . . Normally what we will do is correspond directly to the client, but we could probably cc (carbon copy) you some type of a response just to let you know what has happened once we've looked into the case.

**Ms. Eagles:** — Thank you, Madam Minister, and I would appreciate receiving a copy of any correspondence you have with this person. Thank you.

**The Chair:** — Mr. Hart.

**Mr. Hart:** — Thank you, Mr. Chair. Minister, in our last consideration of estimates of your department we talked about the Labour Relations Board and the timeliness of decisions that the board renders. And we won't re-plough a field that we've gone over, but we will carry forward from that area or with that issue.

I have, as I mentioned last time around, that I have had a number of people contact me and express very grave concerns about the length of time it takes from the time the case is heard until a decision is rendered.

But I also have a situation from an individual in Saskatoon, a Mr. Lalonde, who has a case before the Labour Relations Board that deals with . . . As I read the information, Mr. Lalonde belonged to the United Brotherhood of Carpenters and Joiners for over 15 years. And then he had an employment opportunity in another area of work, and he joined the Operating Engineers, Local 870. And from reading the information he indicates that the first union, the Carpenters Union, aren't happy with him joining the second union.

And I believe it's probably you know union bylaws or whatever, I must admit I'm not totally knowledgeable in all those areas. But to make a long story short he says that you know he has evidence that other individuals have done the same thing. And he has taken this situation to the Labour Relations Board. And he has contacted your office about you know what's happening with the decision on his case and those sorts of things, and of course contacted me on several occasions. And I assured him that I would raise it with you today on the issue.

As far as The Labour Standards Act and The Trade Union Act, or I guess it would be The Trade Union Act that would . . . Is there anything in the Act that would prevent an individual from being a member of more than one union? Is it within the Act or would it strictly be within the union and their bylaws and regulations?

**Hon. Ms. Higgins:** — Well the member will appreciate that I can't comment on individual cases. From my experience and that is . . . First I apologize for smiling, I was just thinking of Ms. Baldwin's comments that we're all from somewhere, at our last session of estimates.

But anyway from my experience it would depend on the bylaws of the union that is involved, and those would be passed at their founding meetings. They would probably be in line with if they are a national or international union, their bylaws and their constitution would be dealt with through a variety of processes that they have. There is nothing that I can recall off the top of my head that would be in The Trade Union Act, but it would be in the bylaws and the constitution of the union.

**Mr. Hart:** — And if I understand the process, if the individual has problems as I've outlined, it would be . . . and there's some uncertainty as to which bylaws, which union would apply and that sort of thing. Obviously the individual has enough merit, there's enough merit in the case to bring this case forward to the Labour Relations Board and that's in fact what this individual has done.

And his current dilemma is that it's taking some time. Although he's on the list of individuals that have contacted me, this case is not, it's one of the later cases that has been heard by the board. I believe; I should double check my facts. And he did contact your office as far as, you know, wanting to know when he could expect a decision and the reply he got from your office is that you have no jurisdiction over the board because it's a quasi-judicial board, and I certainly agree with that.

But I'm wondering is it not possible to give individuals, when they inquire with you as to when they can expect a decision, some sort of a time frame at least, you know, saying that, could you . . . is the board not able to say that, perhaps within this time frame, a month or two, that the decision will be rendered. Because what's happening it's leaving individuals in limbo, their lives are on hold, and they really don't know whether they should be moving forward or perhaps a decision will be rendered within the next week or so that will define which direction they actually proceed with their lives?

**Hon. Ms. Higgins:** — Mr. Chair, I realize that when decisions are an unusual length of time in being rendered, it does cause some adjustments and some difficulties and uncertainty in

people's lives.

If you would go to the Labour Relations Board Web site, their strategic plan is on that Web site and they have targets that are laid out for decisions. And they are working towards a target that 95 per cent of the decisions will be rendered within 90 days.

That is something they work towards but as you're well aware, we are short one vice-chairperson, and that vice-chairperson has been hired and the process has been gone through. And she will begin work on July 1. So we are expecting that that will improve the times and we will be better able to meet those targets that are in the strategic plan.

**Mr. Hart:** — But my question was, is it not possible for the board to say, if an individual like Mr. Lalonde contacts your office, can you not have the board give Mr. Lalonde a guesstimate at least as to when his decision, the decision on his file will be delivered?

You know, as I said earlier, you know people are wondering: will it be another week, will it be another three months? If they had some sort of an idea as to approximately when, I think that something is better than nothing.

Because I know when I talked to this individual he was quite upset with the response from your office that there was no idea as to when the decision would be. He says, I'm sitting here; my life is on hold; I'm not sure which way I should go. It all depends on how this decision comes down. And he said, I'm just waiting; I'm in limbo here. And at least if there was some sort of a response I think it would at least be helpful.

I realize you can't say that within the third week of July that the decision will be there, but if there would be some indication that the decision may be July or August or June, you know, that sort of thing. Is it possible for the majority of the cases . . . I certainly realize that there's some cases that are fairly complicated and take . . . As you'd indicated, there was one case that took 928 days for a decision to come down. But in the majority of the cases, I'm guessing that perhaps you could give a bit of a guesstimate as to when the decisions will be delivered.

**Hon. Ms. Higgins:** — A bit of a guesstimate would be the timelines that are targets on the Web site in the strategic plan, that 95 per cent of the decisions will be within 90 days. That's a target; that's something we work towards.

And it's very difficult, in that many of the cases and many of the decisions to my experience are not yes and no answers. There is a great deal of research; past precedents have to be researched to make sure the decisions are appropriate and follow decisions that have been dealt with previously. There's all kinds of arguments that can be made. There's all kinds of issues that can be raised that can adjust your timelines. So it's very difficult to nail it down and say to someone, within this length of time outside of the target dates that are already there and that the board is working towards.

It is a difficult thing to do and a difficult thing for me, myself, or my office to do even as we're not directly involved in any of the cases or directly involved in the day-to-day business of the

board.

**Mr. Hart:** — Well, Minister, I guess the reason why people are contacting your office is that the Labour Relations Board is part of your mandate and the public, if they've got a problem with the Labour Relations Board, they would naturally come to your office. And I guess even if your office indicated your response to the individuals were outlined as far as the comments you made with regards to the strategic plan and 95 per cent of the cases within 90 days, at least that would be something. It may not be a lot, but at least it's better than well, we have no idea and we can't get involved.

**Hon. Ms. Higgins:** — Well when we are contacted — and we do receive not a great deal of inquiries to the office when it comes to the Labour Relations Board — but when we are contacted, the information and what I have just commented to you is what we would pass along to inquiries that are made to the office.

**Mr. Hart:** — Except that wasn't done in Mr. Lalonde's case. At least I . . .

**Hon. Ms. Higgins:** — Well we're not going to get into specific cases. But it's not something that we have the ability to do, is to lay out timelines and target dates, but it's something that the board has the ability to do. So that would be the response that I would give.

**Mr. Hart:** — Thank you. I checked your Web site, or the Labour Relations Board Web site and looked at the recent decisions that have been delivered or rendered, and it seemed to me that there were at least a number of cases that dealt with the issue of duty of fair representation. Is the board seeing an increase in the number of cases that it has to deal with surrounding that issue?

**Hon. Ms. Higgins:** — Yes, they are.

**Mr. Hart:** — What type of increase, year-over-year increase would we see in that area?

**Hon. Ms. Higgins:** — Mr. Chair, in the year '02-03, there was a total of 11 duty of fair representation. In '03-04, there was a total of 33.

**Mr. Hart:** — So we've seen a fairly significant increase between the two years. Has your department got an opinion as to why we're seeing more of that kind of . . . a threefold increase in those kind of cases that the board has to deal with?

**Hon. Ms. Higgins:** — Well, to the member, I would say that you can't assume that because there has been an increase from last year to this year, that that is a trend that we are seeing. Because when you look back at the duty of fair representation cases that were dealt with, from '98-99, we had 29. In the year '99-2000, we dropped to 8. Then it rose to 16, then to 30, then has dropped to 11, now back up to 33 this year.

So I don't think there's any trend lines. And what would cause the difference in numbers, I don't know what that would be. And I would think it would be a little difficult to nail down when you look at the up-and-down nature of the numbers and

the cases that have been heard over the last five years.

**Mr. Hart:** — Thank you, Minister. I looked at the annual report, the current annual report and, of course, I wouldn't have access to the numbers for the '03-04, at least I'm not aware that that report is public yet. Is it?

**Hon. Ms. Higgins:** — Yes.

**Mr. Hart:** — It is?

**Hon. Ms. Higgins:** — Well '03-04 isn't. But the average of the previous five years is in the '02-03 annual report. So that's where those figures are from.

**Mr. Hart:** — Thank you, Minister, on May 7 you . . . Or at least the letters were dated May 7 from the Saskatchewan Chamber of Commerce that were sent to you on a number of issues, and I believe you replied to them, at least May 26. And there's a couple of issues that the chamber raised that . . . Well May 26 and May 28 were the replies. And I just thought I'd like to discuss a couple of the issues that the chamber of commerce, Sask Chamber of Commerce raised with you.

And one has to do with what's described as a labour relations council. I understand that other jurisdictions, such as Manitoba, have such councils. The councils are made up of both representatives of both business and organized labour, and they work together to advise governments on matters affecting the workplace.

And from reading the letter, it appears to me that the chamber is advocating that you move forward and that here in Saskatchewan, I believe they've even got a name for it. They would call it the Saskatchewan industrial relations council, something that they've been proposing for quite a number of years.

When I read your letter, it seemed to me you didn't really address the council. You mention that . . . mentioned it briefly and went on to describe some of Bill 15 and Bill 50 that we've dealt with in this session. It seems to me that anything that can be done to create harmony between employers and employees would certainly be of benefit to this province, and I'm just wondering why you wouldn't be more proactive in creating a council that would bring employers and employees together in a formal way?

We do have employers and employee reps on the Saskatchewan Labour Force Development Board, and I've had an occasion to meet with that board in the past, and it seems to me they are doing some very positive work. They explained that issues that they feel they can't agree on, they agree not to discuss them and only deal with areas where they feel they can reach a common conclusion. And I'm just wondering, why you would not seize this? Why we don't have something similar to what Manitoba has set up.

**Hon. Ms. Higgins:** — Well, I'm not totally familiar with what Manitoba has set up. But what I will say to the member, is that in a majority of the labour legislation that is here in Saskatchewan, and however we deal with those pieces of legislation; whether it's specifically referred to in the legislation

or the way that we operate here in this province and with this government — we make every attempt to have equal representation on boards, whether it's the Labour Relations Board and that's laid out in legislation that there will be representation from both employers and employees.

The Occupational Health and Safety Council, any reviews that we do, whether it's a committee of review, whether it's a Minimum Wage Board. We look for establishing the board with equal representation from business representatives or business people and employees from various sectors in the province.

The member may be well aware that previously we had looked to establishing what we referred to as a round table, and ran into some very difficult situations where many viewed it would be a table where negotiations would take place on a variety of issues. We worked for many months trying to establish some parameters and some criteria with which business and labour would feel comfortable at that table. And I will say to you, we weren't successful.

Now there is some very successful examples of what can be accomplished. The Labour Force Development Board with which, I think you referred to, is the only labour force development board still operating across Canada, is the one here in Saskatchewan. And that speaks highly to the people that are on that board, the dedication and the professionalism with which they bring to that table, but also they are well aware of issues that they will deal with successfully and issues that they choose to leave at home. They have some fairly defined parameters with which they deal with issues.

Now some feel that that would be an appropriate way to go, and I'm not sure if that's the way Manitoba deals with it, that they have some very defined dos and don'ts that they will deal with at this council. It's something that we talk about quite often.

But there is a number of things that are out there. There are a variety of round tables that the Premier has where we will have discussions, and a good cross-section of the sectors in Saskatchewan and communities in Saskatchewan that will have very open discussions with the Premier.

The Premier and Industry and Resources have spoken of having a summit this fall to bring together various people. ACRE (Action Committee on the Rural Economy) is a very active committee that has good representation and has made some good recommendations and put forward a good report on issues that they feel are important and workable within the province, and ideas that they have put forward.

So there's a number of areas that are also already active this way. I don't know if another one is needed at this time. There's never . . . I guess there's never not a good time for conversation and dialogue between parties that are active in this province and interested in putting forward ideas. It's something that we continue to look at.

And maybe the time is right. Maybe the time is coming or . . . I mean we may run into some issues that have been real hurdles in the past, but it's something that's always there. Conversation and the discussion and the kind of trading of ideas and thoughts, it's always a good time to do that. What's the best forum to do

that in and do we need another forum? I guess that's the question.

**Mr. Hart:** — Thank you, Minister. I understand that our committee has a fair bit of work to do yet today and we have some time constraints. I just have one final issue that I'd like to raise with you. And I've heard from both employee representatives and employer representatives on this issue, and that's . . . this issue, it deals with Bill 32 that was passed back in 1994, amendments to The Labour Standards Act.

And I understand that there were some provisions in that Act that weren't proclaimed and one of them was section 13.4, and I guess . . . and my question to you, Minister, is what is your government's intention to and plan to deal with these unproclaimed sections? Are you planning to proclaim them in the future? Questions . . . there's concern on both sides on this issue and I'd just like to have your government's position on these unproclaimed sections.

**Hon. Ms. Higgins:** — 13.4 is additional hours?

**Mr. Hart:** — Most available hours.

**Hon. Ms. Higgins:** — Well now, okay, we'll get into a bit of a discussion here. You say most available hours and in many people's views most available hours, what it does is take a schedule in a workplace and it pushes the hours to the people that are the most senior. So you would almost cut off the people at the bottom from having any hours, because those hours would migrate up to the most senior people to give them a full-time position.

But what the Bill actually does, it's additional hours, and this was a compromise that was reached in '94-95 when this proposal was first put forward. And what additional hours does is maintains the employee base that is in the workplace. But when additional hours come into the workplace, whether that's by increased business or whether someone retires or someone moves on to another occupation or job, those hours become additional hours and are designated to the most senior people in that work site. So that everyone would maintain the hours that they currently have.

I'll tell you something. It is controversial, without a doubt it's a controversial issue in many areas. But when we are looking at young people having a sense of security in the occupations that they choose, when we look at the stability of the workforce, when we look at the value of training people for the workplace in Saskatchewan, it maybe is an idea that's time has come. Would there have to be consultations done on this? Yes there would.

I come from an area that is part time. There was a great deal of part-time work. And if you know people that have worked in the retail industry, it makes it very hard to establish a life, establish any type of credit rating, buy a house, and many people are raising a family and are still dead-ended in part-time jobs. So it's still out there, that issue is still out there.

We have nothing before cabinet to make a decision or to change any of the items that are currently unproclaimed in labour standards, but it's something that is raised when we're looking

at young people. To assume — and I'm going to be on a wee bit of a rant here — to assume that we will turn into a society that is part-time jobs and that young people will be expected to work two and three part-time jobs to raise a family — and when I'm talking about young people, I'm not just talking about high school or university students, I'm talking about people that have young families — we are more than just numbers and statistics. Saskatchewan is a community. And it's . . . Something that we have prided ourselves on is that we respect community. We value community. And we value the contributions that each and everyone makes.

So while I will say to you, no there is nothing in front of cabinet, there's no decisions that have been made on the unproclaimed pieces, I know that they do cause some discomfort with the chamber of commerce and maybe deserve a wider discussion. But that's currently where it is — with a wee bit of my personal opinions thrown in.

**Mr. Hart:** — Minister, I certainly have to agree with you that this is a controversial issue and I think you just made an excellent argument for setting up a Saskatchewan industrial relations council, because it seems to me that — a council of employers and employee representatives this would be an issue — that perhaps they could help you deal with this issue. And so I think perhaps if you review *Hansard*, you may want to change your response to the chamber of commerce.

I just have a couple of comments, I guess. And one of the comments that I would make is, as I had said, it certainly is a controversial issue. I've heard, you know, very strong arguments from, you know, both the employer reps and the employee reps.

And what I would like to offer at this time — and these comments would apply also to the minimum wage — if we have an economy that's more robust and there's a greater demand for labour services, some of these issues, I think you'd see, they would diminish in importance. Because there's lots of job opportunities out there, quality job opportunities, if we can heat up our economy a bit more, stimulate it a bit more, and take advantage of the natural resources and assets that this province has.

And so therefore, getting back to my original comment when we first started the consideration of estimates, I think it's important for you as Labour minister to work with the Minister of Industry and Resources and the Minister of Finance and that sort of thing as a complete package. Going back again to economics 102 — land, labour, and capital, they all play an important role. And if we can get our economy growing and functioning on all cylinders, there'll be good quality jobs for the people in this province and these issues won't be quite as important because minimum wage won't be such a big factor and there will be more available hours, and so on.

So, Mr. Chair, that would conclude any questions that I would have as far as the estimates of the Department of Labour.

**The Chair:** — (LA01). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (LA01) agreed to.

**The Chair:** — (LA02). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (LA02) agreed to.

**The Chair:** — (LA06). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (LA06) agreed to.

**The Chair:** — (LA04). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (LA04) agreed to.

**The Chair:** — (LA07). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (LA07) agreed to.

**The Chair:** — (LA03). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (LA03) agreed to.

**The Chair:** — (LA05). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (LA05) agreed to.

**The Chair:** — (LA08). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (LA08) agreed to.

**The Chair:** — (LA09). Is that agreed?

**Some Hon. Members:** — Agreed.



**The Chair:** — Carried.

Subvote (LA09) agreed to.

**The Chair:** — The other item, amortization of capital assets, is a non-voted, non-cash expense, and it's presented for your information. That's on page 106.

Therefore be it resolved that there be granted to Her Majesty for the 12 months ending March 31, 2005 the following sums, for Labour, \$14,187,000.

Would a member move that amount?

**Mr. Yates:** — I would move 14 million . . . I move the motion.

**The Chair:** — . . . \$187,000. Mr. Yates has moved that amount. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Vote 20 agreed to.

**The Chair:** — Thank you very much. That concludes the estimates for the Department of Labour. I want to thank the minister, and if the minister would like to thank her officials.

**Hon. Ms. Higgins:** — Mr. Chair, I would like to very much thank the officials and all of the people that put in some very dedicated time in the Department of Labour. As evidenced by any of the issues that come forward, that's the day-to-day work for many of the people in the Department of Labour. They do a very good job and they are very dedicated in the job they do, so I would really like to take this time to thank all of them for throughout the year, not just for all the extra time that they put in for estimates.

I'd also like to thank the opposition for the questions put forward. It's been an interesting time, but it's always, as I say, any time to share information and hopefully enlighten some of the issues, it's a pleasure. So thank you very much for the questions.

**The Chair:** — Thank you very much. Mr. Hart.

**Mr. Hart:** — And, Mr. Chair, I would just simply like to concur with the minister's comments and thank the officials for their assistance in consideration of estimates and for all the work that they do on behalf of the people of this province throughout the year.

**The Chair:** — Thank you. That then concludes the Department of Labour estimates. The next item of business before the committee is Bill No. 70, An Act to amend The Income Tax Act, 2000. And we'll pause for a few minutes while the Minister of Finance brings his officials to the committee.

#### **Bill No. 70 — The Income Tax Amendment Act, 2004**

**The Chair:** — Thank you, members of the committee. I would recognize the Minister of Finance and ask him to introduce his

officials. The Bill that we are reviewing is An Act to amend The Income Tax Act, 2000, Bill No. 70. Mr. Minister.

**Hon. Mr. Van Mulligen:** — Thank you, Mr. Chair. Seated beside me on my right is Ron Styles, the deputy minister of Finance. And seated on my left is Arun Srinivas. He's a senior analyst with the taxation and intergovernmental affairs branch of the Department of Finance.

#### **Clause 1**

**The Chair:** — Clause 1, is that agreed? Mr. Krawetz.

**Mr. Krawetz:** — Thank you very much, Mr. Chairman. Welcome to you, Mr. Minister, and to your officials. Just a few questions on Bill No. 70 before we move to talking about specifically the clause no. 12, which is causing the opposition the greatest amount of concern.

In clause no. 3 and clause no. 4, you've indicated that the change in the formula is necessary to ensure, I think, that certain individuals get a minimum recognition. And you've indicated that \$3,500 has been taken out of the original number, by looking at that formula, and . . . Or you've changed that amount by 3,500, by moving 3,500 as a sum in front of the number that will have from it, a portion called the PI will be subtracted. Is \$3,500 the amount that you intend to have there as the minimum amount in both sections 4 and 5 . . . sorry, sections 3 and 4 of the Bill?

**Hon. Mr. Van Mulligen:** — Mr. Chair, I'm going to let Mr. Srinivas deal with the technical details on this question.

**Mr. Srinivas:** — Okay. Yes, the base amount in 2001 was \$3,500 and that amount has risen with indexation in 2002 and 2003 and 2004. To ensure that the amount rises with indexation and remains the same as the supplement to the disability tax credit amount, which was also \$3,500 in 2001, we're making this change so that they remain in lockstep. And so they rose in 2001 from \$3,500 to \$3,605 in 2002, to \$3,663 in 2003, and to \$3,784 in 2004.

So in order to keep all of these credits the same, and that would be the caregiver credit, the infirm dependant credit, and the supplement to the disability credit — all that starting at \$3,500 in 2001 and remaining the same amounts throughout all these succeeding years as indexation increases the amounts — we've altered the formula so that the amounts do stay the same. Otherwise indexation was resulting in the amounts of erring and in fact the amount would be . . . there was a dollar difference in the value of the credits, and so we just wanted to make them consistent.

**Mr. Krawetz:** — Thank you very much for explaining that. Mr. Minister, the other change, of course, is that the automatic indexing of exemptions will no longer occur, and you and I have had this discussion regarding the financial effect on the province. And I think in response, the last time we talked about this, you supplied me with information that would indicate that if there was a full \$1,000 change to the basic personal exemption and the spousal exemption and the child tax credit, that current change for this year — which I understand that the CPI (consumer price index) is about 2.3 per cent for this current

year — if we were to adjust the basic exemption for the next year, that would amount to about \$190 change, if you take 2.3 per cent of the current \$8,264 exemption.

Now when I looked at the numbers that you provided as far as what a \$1,000 change to all of those personal exemptions would actually mean, I think my calculations arrived at about a 15 or \$16 million change if we were to implement the indexing of 2.3 per cent. Now that's not a lot of money and yet it's a recognition I think that the exemptions for '05, if we don't move forward, we're going to be in a position of falling further and further behind like the province of Alberta.

And, Mr. Minister, I note that you've indicated that you had to make tough decisions and that this was a decision that obviously you felt was mandatory. When do you expect to reverse that decision to again move Saskatchewan forward as far as the actual indexation of exemptions?

**Hon. Mr. Van Mulligen:** — I thank the member for the question, Mr. Chair. I don't believe that the impact first of all will be in the neighbourhood of 15 or \$16 million in this budget year, and I would never take the point of view that 15 or \$16 million is not a lot of money.

I think in fact the impact is probably one decimal point less than that in this fiscal year. We anticipate that inflation in this coming year will be significantly less than the 2.3; 2.3 is a figure that, depending on when in the year you try to estimate what the inflation rate will be, can vary. And we anticipate that the inflation rate in the coming year will be somewhat less than that.

Those are the trends over the course of the last number of months — that they've been turning downwards from what might have been initially a 2.3 percentage point increase in inflation, is in fact something less than that now. So we anticipate that the impact will be considerably less than that.

The impact is also for a portion of the fiscal year. This is a measure that starts in 2005 — on January 1, 2005 — but this budget year goes through until the end of April 2005. So we anticipate that the impact in this budget will be something less than that, probably in the neighbourhood of I think about a million and a half dollars, which again where I come from is still a lot of money. But that's what the impact will be.

If you're asking me, at this point do we have a goal in mind in terms of reversing this decision — we do not. I always remain to be persuaded that if there are other revenues resulting from growth — that we do not see at this point — but if there is to be additional revenues from additional growth down the road, revenues from our natural resource sector or other revenues, whether it's equalization or whatever it might be, if those were to increase, then that would then give us greater flexibility. And the other revenues we have, we would certainly take that into account, but we do not have a target at this point to reverse the decision that we've made.

I might add also that the decision with respect to indexation, although it's a difficult one to make, I should point out that I think there are only two or three provinces in Canada that are fully committed to indexation — Alberta being one, Ontario

being the other. I think that BC might also be doing that at this point.

But all the other jurisdictions, the indexation is more or less ad hoc; that is, the government makes a decision as to some point during the year, as to whether they will index or they will not index the various aspects of their income tax system. And we propose to make a determination this fall as to what the indexation should be.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, when I asked you about the indexing of pension plans and those that are not automatically indexed by negotiated clauses in their contracts, you indicated that for the year April 1, 2003, the increase was 1.2 per cent even though the cost of living I believe for that year was 2.8 per cent.

Mr. Minister, we just discussed for this year a 2.3 per cent . . . And in fact the exemption for this year, 2004, relative to last year has changed by exactly 2.3 per cent — from \$8,000 to \$8,264.

If — and you've indicated you're expecting a lower inflationary rate for next year — if you were to reconsider implementing obviously not an automatic indexing of the exemptions, but if you were to consider indexing of the exemptions at some future date, would you be basing it on that inflationary rate for that year? Or would you be applying some formula like you currently apply to determine a pension index?

**Hon. Mr. Van Mulligen:** — No, we will look at what the inflation rate projected will be for the coming year and then make a determination at that point.

**Mr. Krawetz:** — Mr. Minister, then in that case would, would . . . how do you arrive at the 1.2 per cent for pension increases for last year when the inflationary rate was 2.8 per cent?

**Hon. Mr. Van Mulligen:** — These are arbitrary figures that we determine that this is what is affordable and this is what is reasonable under the circumstances.

**Mr. Krawetz:** — So in a hypothetical case then, for personal exemptions you're saying then it won't be an arbitrary number, it will be the inflationary rate for the year.

**Hon. Mr. Van Mulligen:** — No, I think that we will have . . . we will make a determination this coming fall what the indexation factor should be, and we will take inflation into account.

**Mr. Krawetz:** — Mr. Chair, as I've indicated, the clauses that are not listed in no. 12 . . . All of the clauses other than no. 12 are clauses that we support. But we will not support clause no. 12.

**The Chair:** — Okay. Clause 1, is that agreed?

**Some Hon. Members:** — Agreed.

Clause 1 agreed to.

Clauses 2 to 11 inclusive agreed to.

**Clause 12**

**The Chair:** — Clause 12, is that agreed?

**Some Hon. Members:** — Agreed.

**Some Hon. Members:** — No.

**The Chair:** — Those who support the clause, say aye.

**Some Hon. Members:** — Aye.

**The Chair:** — Those that oppose the clause, say nay.

**Some Hon. Members:** — Nay.

**The Chair:** — I believe the ayes have it.

**An Hon. Member:** — Could we have a recorded vote, please?

**The Chair:** — Yes, we can. All right, would all those who support the clause raise their hand? And I will vote in favour of that clause. All those that oppose? That clause is carried.

Clause 12 agreed to.

Clauses 13 to 17 inclusive agreed to.

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: An Act to amend the Income Tax Act, 2000.

**Mr. Yates:** — Mr. Chair, I move we report the Bill without amendment.

**The Chair:** — It's been moved by Mr. Yates that the Bill be reported without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That's carried.

The committee agreed to report the Bill.

**Bill No. 36 — The Provincial Sales Tax  
Amendment Act, 2004**

**The Chair:** — The next item before the committee is the consideration of An Act to amend The Provincial Sales Tax Act, Bill No. 36. We will pause while the minister assembles his officials.

Would you introduce your officials.

**Hon. Mr. Van Mulligen:** — Thank you, Mr. Chair. Seated beside me on my right is Len Rog. He is the assistant deputy minister of the revenue division. And seated beside me on my left is Rob Dobson. He is the director of the provincial sales tax branch.

**Clause 1**

**The Chair:** — Thank you very much. Clause 1. Mr. Krawetz.

**Mr. Krawetz:** — Just a comment, Mr. Chair. We as the official opposition believe that the government — reinforced by the comments of the Premier — did not have the mandate to increase the PST (provincial sales tax) from 6 to 7 per cent; stated that during the election campaign, stated it in an interview on January 8 when the Premier was asked whether he had a mandate to change or raise the PST and the Premier responded no, no, no. Therefore we will not be supporting this Act.

**The Chair:** — Clause 1, is that agreed?

**Some Hon. Members:** — Agreed.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

**Clause 5**

**The Chair:** — Coming into force, clause 5. Is that agreed?

**Some Hon. Members:** — Agreed.

**Some Hon. Members:** — No.

**The Chair:** — All those in favour raise your hands. All those opposed. That clause is carried.

Clause 5 agreed to.

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows: Bill No. 36, An Act to amend The Provincial Sales Tax Act. Ms. Higgins.

**Hon. Ms. Higgins:** — Mr. Chair, I move this Bill without amendment.

**The Chair:** — Ms. Higgins has moved that the Bill be reported without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

The committee agreed to report the Bill.

**General Revenue Fund  
Finance  
Vote 18**

**Subvote (FI01)**

**The Chair:** — The next item for consideration are the department estimates for the Department of Finance, votes 12, 18, 175, 176, and 177. Minister, do you have any new officials to introduce?

**Hon. Mr. Van Mulligen:** — Thank you, Mr. Chair. Seated beside me is Ron Styles, the deputy minister of Finance. And seated behind me — and I may bring these officials up as circumstances dictate and especially when I run into trouble

here — is Glen Veikle, he's the assistant deputy minister of the treasury board branch; Joanne Brockman, the executive director of the economic and fiscal policy branch; Brian Smith, the executive director of the Public Employees Benefits Agency; Len Rog, the assistant deputy minister of revenue division; and Arun Srinivas, the senior analyst with our taxation and intergovernmental affairs.

**The Chair:** — Thank You. Administration (FI01). Is that agreed? Mr. Krawetz.

**Mr. Krawetz:** — Mr. Minister, on page 63 of the Finance estimates dealing specifically with your department, the full-time staff complement is shown to have risen by 27 full-time equivalents — from 357 to 374. Could you indicate why the Department of Finance would require such a huge increase percentage wise of 27 full-time equivalents?

Mr. Minister, before we go on, my math was not quite accurate. It indicates that it's 17 full-time equivalents, not 27. I believe I said 27 and my math says, uh-uh, it is 17.

**Hon. Mr. Van Mulligen:** — Thank you, Mr. Chair. Now that we got all that heavy-duty ciphering out of the way . . . The increases — in fact 17 — one of those increases is to the personnel policy secretariat to enable it to better address a number of issues that we think will be needing to deal with in the coming months with respect to bargaining in the Public Service and the other increase of 16 full-time equivalents is in our revenue division.

**Mr. Krawetz:** — Mr. Minister, could you indicate why you were able to get along without those 16 people last year and why you needed 16 additional staff members this year?

**Hon. Mr. Van Mulligen:** — It's an assessment on our part that we can do a better job of addressing the obligations we have to assess revenues as they're being collected. And we feel that at the end of the day that these additional staff will help us to do our job in a better fashion.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, under (F109), the judges' superannuation plan is a statutory expenditure there. Mr. Minister, could you indicate whether or not the judges' pension plan — the indexing of that pension plan — has that been changed in the last year or two regarding an automatic indexing, and if it is an automatic indexing, what is it tied to?

**Hon. Mr. Van Mulligen:** — Mr. Chair, there was a commission struck a number of years ago to review compensation for judges. As part of that review, there was a recommendation that judges who retire, I believe, after April 1, 2003, they will receive increases in their pension to recognize inflation. But all judges who have retired prior to that time will, as all other public servants who are on a defined benefit plan, receive whatever ad hoc increases might be granted to it by the government.

**Mr. Krawetz:** — So if I understand you correctly, Mr. Minister, then for this year for a judge who retired after April 1, 2003, then the automatic indexing of that individual's pension would have been 2.3 per cent. Is that correct?

**Hon. Mr. Van Mulligen:** — That is correct, Mr. Chair.

**Mr. Krawetz:** — Mr. Minister, I received a letter from people who are involved with the Saskatchewan government superannuates group who are very concerned about the fact that the commission, or whatever method, arrived at an automatic 2.3 per cent for this year based on that agreement.

And yet, as you've indicated, and other ministers before you have indicated, that, you know, the people that are involved in those pension plans that you supplied the information for who do not get automatic indexing, in fact for the last three years they've received zero. They received zero in 2002. They received 1.2 per cent in 2003. And they received zero per cent for this year.

So while we look at the automatic judges' increase, and I guess if we go back even to last year, the judges' pension would have been automatically indexed by 2.8 per cent last year, 2.3 per cent this year, and you said that we expect a lower inflationary rate for next year.

So we have the judges in this — retired judges who obviously are receiving a fairly significant pension, I'm assuming — are getting that kind of increase whereas the people who've worked for, you know, the same length of time, and belonging to the five pension plans that you identified the other day, have received a total of 1.2 per cent for the last three years.

And now I think you can understand why that lobby and that concern is out there because these people are falling farther and further behind while they watch the judges automatically have an automatic indexing of their pension plans.

**Hon. Mr. Van Mulligen:** — Mr. Chair, in our system of government we have various branches of . . . those who provide public administration, are held to be independent of one another. We take the approach in our parliamentary democracy that judges should be independent of any political direction. Whatever direction there comes, whether it's legislative direction or direction in . . . that have financial implications should be limited because we value, appreciate, and in fact demand and need an independent judiciary.

It is for those reasons that we have independent commissions that from time to time review the needs of judges, and they will make recommendations that we are obliged to implement. There have been a number of Supreme Court rulings, I understand — I stand to be corrected on that — that have ruled that legislatures must accede to the independence of the judiciary branch. And that is the reasons for the recommendations that have been adopted with respect to the judiciary in Saskatchewan.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, I do want to make it clear that I'm not in any way suggesting that the judges . . . the decision to grant an indexing to the judges of the amount of the consumer price index change per year is wrong. What I am suggesting though is that people in the province who have received zero, two out of the last three years, just are . . . feel that they have been slighted and have been left out by your government.

Mr. Minister, with that comment I want to ask one general statement about your financial plan for this current year. We're nearing the end of the first quarter at the end of June, and obviously your officials have been monitoring the revenue. And that's what I would like to ask is, is that I . . . Have your anticipated revenues for the year been any way significantly altered by some unknown force that we haven't even discussed at this basis, or do you expect that the quarterly report will show that you are on target for a \$6.5 billion revenue?

**Hon. Mr. Van Mulligen:** — Mr. Chair, until the first quarter is complete I think it's premature to speculate. What we do know and what the members know and the public knows is that natural resources, especially oil, the prices are much greater than they were in previous years and certainly higher than what we'd forecast.

So when the first quarter report comes in, I expect that oil revenues will be up. I expect that natural gas revenues will also be up. But in terms of other bases, I'm not aware of any significant changes at this point.

Equalization is, of course, an item where we received an extra \$120 million, but that's incorporated in our budget. But who knows what we might yet receive from the federal government with respect to equalization.

**Mr. Krawetz:** — Thank you, Mr. Minister. And we'll look forward to that first quarterly report.

The other side of the coin, of course, is expenditures and, you know, as you have indicated, the quarterly report is coming up. Have you had any unforeseen change in departments other than the one that we've already dealt with in the Legislative Assembly, which was the change to the Health budget? Do you foresee any expenditure changes radically different than what is in your estimates?

**Hon. Mr. Van Mulligen:** — No, Mr. Chair. We have not been able to see any changes from what we've forecast, again with the exception of Health, where we made a change in the legislature. And I want to thank the members of the legislature, including the opposition members, for their support for that change.

We have had some contract settlements. You will know that this budget, this financial plan, is based on anticipated public sector settlements and that there have been settlements in the public sector which are in keeping with the mandate that we set forward. So that's encouraging.

I don't know, I'm not aware of any great changes in utilization of any programs in this first quarter that we might look at. Certainly, we're encouraged by the range that we're seeing, not just here in the South — and the promise that holds for a better crop than perhaps previous years, recognizing that some producers are struggling to and will have a few days yet I guess to still get a crop in — but also in the North where the moisture has helped to, I think, bring down the forest fire index. And so, we're encouraged by that.

**Mr. Krawetz:** — Thank you, Mr. Minister. And my final question is when do you expect to release the first quarter

report?

**Hon. Mr. Van Mulligen:** — After the first quarter.

**Mr. Krawetz:** — Could you give me a date of whether you expect to release that in July, or August, or September, or should it be 2005?

**Hon. Mr. Van Mulligen:** — Mr. Chair, we're targeting the end of July to be able to release the first quarter report, and unless something comes up, that would be our intention to do that again this year. Thank you very much.

**The Chair:** — Administration (FI01). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (FI01) agreed to.

**The Chair:** — (FI02). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (FI02) agreed to.

**The Chair:** — (FI04). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (FI04) agreed to.

**The Chair:** — (FI03). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (FI03) agreed to.

**The Chair:** — (FI06). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (FI06) agreed to.

**The Chair:** — (FI05). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (FI05) agreed to.

**The Chair:** — (FI10). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (FI10) agreed to.

**The Chair:** — (FI08). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (FI08) agreed to.

**The Chair:** — (FI09). Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Subvote (FI09) agreed to.

**The Chair:** — And on page 67, amortization of capital assets presented for information purposes in the amount of \$824,000. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

Be it resolved that there be granted to Her Majesty for the 12 months ending March 31, 2005, the following sums for Finance, \$135,714,000.

That has been moved by Ms. Hamilton. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That's carried.

Vote 18 agreed to.

**General Revenue Fund  
Finance — Servicing Government Debt  
Vote 12**

**The Chair:** — Thank you. We now have a whole number of statutory estimates that we need to go through as part of the committee's process, and members are certainly welcome to ask questions as we move through these.

The first one is on page 69, I believe. And this is summary of appropriation of expense, debt servicing, and this would be vote 12, in the amount of \$614,000,000 that would be, and that's on page 70. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Okay.

Subvote (FD01) — Statutory.

Vote 12 — Statutory.

**The Chair:** — The next one then is on page 148.

**General Revenue Fund  
Debt Redemption, Sinking Fund and Interest Payments  
Vote 175, Vote 176, Vote 177**

**The Chair:** — Okay that is . . . okay. Vote 175 in the amount of 1,343,502,000 and that again is statutory. Are there any questions on that?

Vote 175 — Statutory.

**The Chair:** — The next one is sinking fund payments, vote 176 in the amount of \$62,809,000. Are there any questions on that?

Vote 176 — Statutory.

**The Chair:** — The next one is Crown enterprise share, vote 177. Are there any questions on that?

Vote 177 — Statutory.

**General Revenue Fund  
Centenary Fund  
Vote 70**

**The Chair:** — We're skipping back and forth through the book here as the Clerk is helping guide me. So we are now on page 35 which is vote 70, the Centenary Fund.

**Mr. Krawetz:** — Question.

**The Chair:** — There's a question. Mr. Krawetz.

**Mr. Krawetz:** — Yes. Mr. Minister, we note, of course, that the Centenary Fund has been in existence I think for five years and it has ended. And we note that for '04-05, we actually have no appropriation. Could you explain now what will happen?

**Hon. Mr. Van Mulligen:** — Mr. Chair, that was because the last fiscal year 2003-04 was the last year of what was I think a four-year program, and so there's no expenditure estimated for this year because last year was the last year.

**Mr. Krawetz:** — Thank you very much.

**The Chair:** — Are there any further questions? Okay, if none, we'll move on.

**General Revenue Fund  
Fiscal Stabilization Fund  
Vote 71**

**The Chair:** — And the next one we have is on page 143, which is the Fiscal Stabilization Fund. Are there any questions on the Fiscal Stabilization Fund? Okay. If not, we will move on then to . . . (inaudible interjection) . . . Oh, I'm sorry.

**Mr. Krawetz:** — I just have a Fiscal Stabilization Fund question.

**The Chair:** — Mr. Krawetz.

**Mr. Krawetz:** — Has this been adjusted because of the decision made on the health . . . amendment to the health expenditure?

**Hon. Mr. Van Mulligen:** — I believe the information should probably be stated different than what is in here to reflect in fact the decision that was made by the Assembly.

**Mr. Krawetz:** — Before we deal with vote 71, we should be assured that we're dealing with the correct . . .

**Hon. Mr. Van Mulligen:** — The correct figure, Mr. Chair, would be \$171 million, \$171.1 million — 171.1.

**The Chair:** — 171.1. Okay, that's been noted. Thank you, members.

**General Revenue Fund  
Lending and Investing Activities  
Agricultural Credit Corporation of Saskatchewan  
Vote 147**

**The Chair:** — And the next statutory items are on page . . . starting on page 146. The Agriculture Credit Corporation of Saskatchewan, are there any questions on that?

Subvote (AG01) — Statutory.

Vote 147 — Statutory.

**General Revenue Fund  
Lending and Investing Activities  
Crown Investments Corporation of Saskatchewan  
Vote 165**

**The Chair:** — The Crown Investments Corporation of Saskatchewan.

Subvote (CI01) — Statutory.

Vote 165 — Statutory.

**General Revenue Fund  
Lending and Investing Activities  
Education Infrastructure Financing Corporation  
Vote 170**

**The Chair:** — The Education Infrastructure Financing Corporation.

Subvote (ED01) — Statutory.

Vote 170 — Statutory.

**General Revenue Fund  
Lending and Investing Activities  
Information Services Corporation of Saskatchewan  
Vote 159**

**The Chair:** — Information Services Corporation of Saskatchewan.

Subvote (SL01) — Statutory.

Vote 159 — Statutory.

**The Chair:** — Municipal Financing Corporation of . . . Oh, I'm sorry, not the Municipal Financing Corporation of Saskatchewan. We're not going there; we'll skip that one.

**General Revenue Fund  
Lending and Investing Activities  
Saskatchewan Opportunities Corporation  
Vote 154**

**The Chair:** — Then we're on to page 147, the Saskatchewan Opportunities Corporation.

Subvote (SO01) — Statutory.

Vote 154 — Statutory.

**General Revenue Fund  
Lending and Investing Activities  
Saskatchewan Power Corporation  
Vote 152**

**The Chair:** — The Saskatchewan Power Corporation, vote 152.

Subvote (PW01) — Statutory.

Vote 152 — Statutory.

**General Revenue Fund  
Lending and Investing Activities  
Saskatchewan Telecommunications Holding Corporation  
Vote 153**

**The Chair:** — The Saskatchewan Telecommunications Holding Corporation, vote 153.

Subvote (ST01) — Statutory.

Vote 153 — Statutory.

**General Revenue Fund  
Lending and Investing Activities  
Saskatchewan Water Corporation  
Vote 140**

**The Chair:** — The Saskatchewan Water Corporation, vote 140.

Subvote (SW01) — Statutory.

Vote 140 — Statutory.

**General Revenue Fund  
Lending and Investing Activities  
Saskatchewan Watershed Authority  
Vote 164**

**The Chair:** — The Saskatchewan Watershed Authority, vote 164.

Subvote (WA01) — Statutory.

Vote 164 — Statutory.

**General Revenue Fund  
Lending and Investing Activities  
SaskEnergy Incorporated  
Vote 150**

**The Chair:** — And the SaskEnergy Incorporated, vote 150.

Subvote (SE01) — Statutory.

Vote 150 — Statutory.

**The Chair:** — And there are no questions on those? That then would conclude the estimates for the Department of Finance, and are we going to move those . . . Thank you, that concludes the estimates for the committee.

The Clerk will be passing on a first draft report for the standing committee to be adopted and presented to the Assembly. Minister, I think we could excuse your officials, if you would want to thank them, and then we can move forward with the draft report.

**Hon. Mr. Van Mulligen:** — Thank you very much, Mr. Chair. Mr. Chair, I might say that a few days ago the province of Saskatchewan received a credit rating upgrade from Standard & Poor's of New York. This is a very significant event and speaks to not only the strength of the Saskatchewan economy but also speaks to fiscal management.

And I do not believe that we would have attained that improvement in our financial standing if it were not for the hard work of the men and women who work for the Department of Finance in Saskatchewan. Their job and their dedication has been exemplary in the last number of months that I've been the minister. And it's been a real pleasure and an honour for me to have been associated with them. I thank them publicly for their contribution to the people of Saskatchewan.

**The Chair:** — Thank you very much. Mr. Krawetz.

**Mr. Krawetz:** — Yes. And I want to extend through you, Mr. Minister, to all of your officials for assisting in Finance estimates over the last number of times that we've been together and thank them for their work.

**The Chair:** — Thank you very much. Thank you very much. As I've said, the committee has completed their work. We would now entertain a motion that would reflect the work that the committee has done and the motion would be, and I hope moved by a member:

That the draft first report of the Standing Committee on the Economy be adopted and presented to the Legislative Assembly on June 16, 2004.

**Mr. Yates:** — I so move.

**The Chair:** — It's been moved by Mr. Yates. All those in favour?

**Some Hon. Members:** — Agreed.

**The Chair:** — Opposed? It's carried.

Motion agreed to.

**The Chair:** — Thank you very much. I want to thank members of the committee for their diligence.

This has been, for all of us, a new experience in this session as we've been working with our new committee structure. And as we near the end of the session I want to say to members of the legislature, I think that this has, and is, gives us the opportunity I think, for a new approach to doing estimates. I found it to be a very civil exercise as opposed to some of the experience that we've all encountered in the past. And so I want to, before I forget, thank the members of the committee for their diligence and for their work on behalf of the people of Saskatchewan.

And with that we've concluded the work. Mr. Stewart.

**Mr. Stewart:** — Thank you, Mr. Chair. I'd like to just add to those comments a thank you to you for your co-operative attitude — it's been a pleasure dealing with you through these matters — and as well to all members of the committee.

**The Chair:** — Thank you very much, Mr. Stewart. This committee stands adjourned.

The committee adjourned at 17:33.



