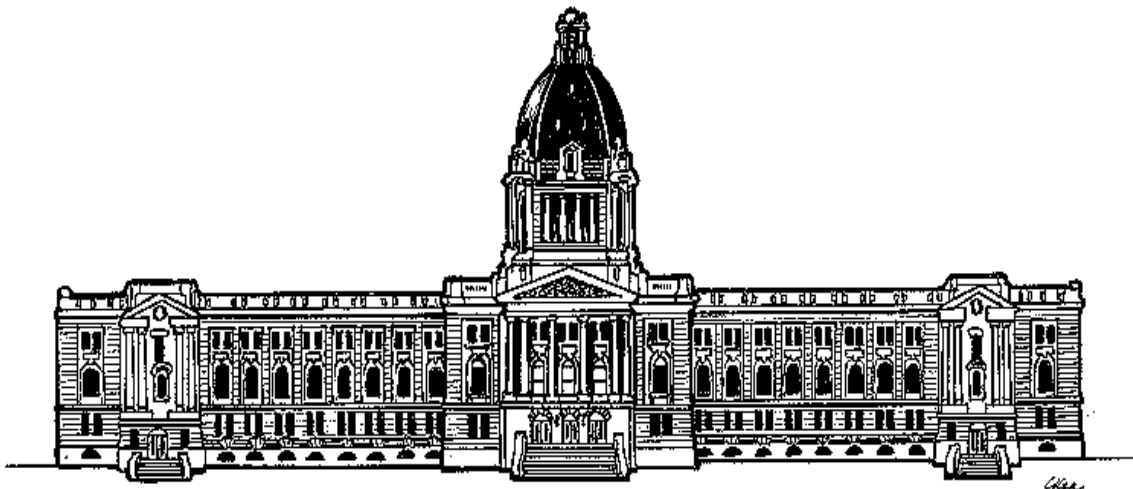




STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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

Mr. Ron Harper, Deputy Chair
Regina Northeast

Mr. Darcy Furber
Prince Albert Northcote

Mr. Jeremy Harrison
Meadow Lake

Mr. Warren Michelson
Moose Jaw North

Ms. Laura Ross
Regina Qu'Appelle Valley

Ms. Nadine Wilson
Saskatchewan Rivers

[The committee met at 15:00.]

Bill No. 76 — *The Wildlife Habitat Protection Amendment Act, 2008 (No. 2)*

Clause 1

The Chair: — Okay, I'd like to call the committee to order please. Firstly I'd like to table the maps for *The Wildlife Habitat Protection Amendment Act, 2008*. The item before the committee is Bill No. 76, *The Wildlife Habitat Protection Amendment Act, 2008 (No. 2)*. And, Madam Minister, would you please introduce your officials that are with you today.

Hon. Ms. Heppner: — Thank you, Mr. Chair. To my right is Liz Quarshie, deputy minister of Environment, and to my left, Nancy Cherney, executive director of the lands branch. And if I may, I'd like to welcome Ms. Morin's daughter. This isn't quite as interesting as question period but we welcome her interest in watching the proceedings.

The Bill before us today, some of it is housekeeping. There was some private land that was included in *The Wildlife Habitat Protection Act* by error. Those are being removed. There are also two sections that are being withdrawn because of sale of land, and one addition to compensate for part of the sale of that land. I'll keep my opening remarks brief, so I'll just take questions if there are any.

The Chair: — Okay. Questions? Ms. Morin.

Ms. Morin: — Thank you very much, Mr. Chair, and welcome to Minister Heppner and her officials here today. And thank you for appearing before the committee.

We have half an hour so I guess we'll get straight to the chase. And I thank the minister for keeping her remarks short, and her welcoming remarks for my daughter. Clearly now anyone that's watching at home, like my husband or her teacher, will know where she is, circumstances as they are.

The Wildlife Habitat Protection Amendment Act, I'd like to review section 2 of Bill 76 which reads:

The Schedule to *The Wildlife Habitat Protection Act* is amended in the manner set forth in this section.

Section 2(2) of Bill 76 reads:

Clause (k) of Item 1062 is repealed and the following substituted:

“(k) Section 27, excepting that portion of the north-east quarter lying to the south of the Highway No. 342 right-of-way”.

Section 27 lands are part of the mixed grasslands ecoregion and are east of the town of Kyle, Saskatchewan. So I'm just wondering, why are the majority of lands in Section 27 being removed from the protection schedule except, according to Bill No. 76, “that portion of the north-east quarter lying to the south of Highway No. 342 right-of-way”?

Hon. Ms. Heppner: — The section that's south of the roadway, if I have the right reference, was privately held land that was put into the Act in error. So that is being withdrawn because it wasn't Crown land. There's a lot of land in wildlife habitat protection, and when the inclusions were made there was a few parcels that we are coming across that . . . I think there were some in last year's amendment as well, where there is by accident some private land that was listed and it shouldn't be listed under protection.

Ms. Morin: — Okay, so this is just a correction to what had occurred last year then in terms of the lands.

Hon. Ms. Heppner: — They'd been put in a while ago. My reference of last year was . . . This is a similar circumstance.

Ms. Morin: — Oh I see. Okay. I'm sorry. Okay.

Hon. Ms. Heppner: — There's other lands that we've come across in the course of business that we realize have been put in in error, and this is one of those. It's been privately held since 1915.

Ms. Morin: — Okay. Yes that would be a while. Okay, thank you. Could you specify the development proposals for the areas once protected? Is there any area . . . Let's put it this way, is there any lands in that section that are going to be removed, or is that a complete correction that's being made?

Hon. Ms. Heppner: — Complete correction.

Ms. Morin: — Okay. All right.

Hon. Ms. Heppner: — It was all privately held land.

Ms. Morin: — Okay. In section 2(3) of Bill No. 76, it reads:

Clause (a) of Item 1072 is amended by adding “, excepting that portion of Legal Subdivision 13 lying to the west of the west bank of Whitehill Lake” . . .

These lands are located, I believe, northeast of North Battleford and are considered to be part of the Aspen Parkland ecoregion which makes up approximately 12.5 per cent of the province's total area, but only 5.6 per cent of it falls into Saskatchewan's representative areas network. Why are these lands west of the west bank of Whitehill Lake being removed from the protection schedule?

Hon. Ms. Heppner: — That's actually a similar circumstance to the first one. They are privately held and have been since 1959, and were again added in error. So we're just removing them to correct that error.

Ms. Morin: — Okay. Thank you. In section 2(4) of Bill No. 76, it reads that:

The following . . . is added after clause (a) of Item 1163:

“. . . that portion of the south half of Section 11 lying to the right of the right bank of the North Saskatchewan

River and east of the eastern limit of the Canadian National Railway right-of-way as shown on Plan C1292”.

From reading item 1163 in *The Wildlife Habitat Protection Act*, it's clear that this subsection of the Bill intends on adding this area northwest of North Battleford and adjacent to the North Saskatchewan River to the protection schedule.

This area is considered to be part of the Aspen Parkland ecoregion and is relatively low in terms of its comparative inclusion in the representative areas network. Could the minister describe the ecological value of this area?

Hon. Ms. Heppner: — The land referenced is right up against the shoreline so there's potential for habitat there, as well as protecting the actual shoreline, and we feel is a worthy inclusion in the wildlife habitat protection.

Ms. Morin: — Okay. Section 2(5) of Bill 76 reads:

Clause (e) of Item 1453 is repealed and the following substituted:

“... those portions of the east half and north-west quarter of Section 24 not covered by the waters of the North Saskatchewan River, excepting the west half of Legal Subdivision 12”.

In other words, the Ministry of Environment intends to remove the west half of the legal subdivision 12 from the protection schedule. Why is this area being removed from the protection schedule?

Hon. Ms. Heppner: — There is, if you look on the map, there is the little red box, and if you go just southwest, there is a landowner. That is his yard, and he's asked for purchase of this small section to expand his yard site. And if you look behind there, the rest of the land in that section that butts up against the water will remain under habitat protection. It's just the little corner for a yard expansion, and that's, I believe, 20 acres. And part of the reason for the inclusion that we just referenced is to offset the withdrawal of this 20 acres. We're putting in 37 acres for a withdrawal of 20 acres, so it's actually a net gain.

Ms. Morin: — And is the exchange fairly similar in terms of the ecological value of the sites?

Hon. Ms. Heppner: — Yes.

Ms. Morin: — Yes. Okay. And we've already talked about the specifics of the development proposal. I mean, is it just to be included in his farm land, or is there other development that might be taking place on that parcel of land?

Hon. Ms. Heppner: — It's just personal use for an expansion of a yard site.

Ms. Morin: — Okay. Section 3 of Bill 76 reads, “**Item 3 of the Appendix to The Wildlife Habitat Lands Designation Regulations is repealed.**” Could the minister please explain the nature and the rationale for the repealing of item 3 of the appendix.

Hon. Ms. Heppner: — Again, we had a producer who had interest in this land, and obviously there is some interest on our part, considering it was wildlife habitat protection. And the sale was agreed to with the caveat that there would be a conservation easement put on that specific property upon completion of the sale.

So the actual land use will not change, and it still offered protection under *The Conservation Easements Act* within the province.

Ms. Morin: — Well thank you, Mr. Chair. Those are all the questions I had about this particular Bill. I'll defer to any of my colleagues and see if they have any further questions on the Bill.

So I guess we're finished for this Bill. Thank you very much to the minister and her officials for appearing before us again today and answering all the questions I had, and we'll look forward to our next meeting. Thank you.

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

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 4 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 76, *The Wildlife Habitat Protection Amendment Act, 2008 (No. 2)*.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would ask a member to move that we report Bill No. 76, *The Wildlife Habitat Protection Amendment Act, 2008 (No. 2)* without amendment.

Mr. Michelson: — So moved.

The Chair: — Mr. Michelson moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. That concludes the business on Bill No. 76. I would like to thank the minister and officials for being here, and we went through it in pretty record time.

Hon. Ms. Heppner: — And thank you, Mr. Chair, and the members of the committee for your time this afternoon.

The Chair: — Committee, if we take a recess, and we'll try and get the next Bill people in as soon as we possibly can.

[The committee recessed for a period of time.]

Bill No. 84 — *The Labour-sponsored Venture Capital Corporations Amendment Act, 2009*

Clause 1

The Chair: — I'd like to call the meeting back to order, and the item before the committee at this time is Bill No. 84, *The Labour-sponsored Venture Capital Corporations Amendment Act, 2009*. And I'd ask the minister if he'd please introduce officials to the committee, and if there's any opening remarks to make, go with those.

Hon. Mr. Stewart: — Thank you, Mr. Chair. To my left, Mr. Dale Botting, CEO [chief executive officer] of Enterprise Saskatchewan. To my right, Denise Haas, CFO [chief financial officer], Enterprise Saskatchewan. And Mr. Marv Weismiller behind me, manager of business programs for Enterprise Saskatchewan.

And I don't want to take up a lot of time with introductory remarks on this thing. I'll allow the time for the members to pose questions, only to say that this is done to level the playing field between the federally and provincially administered labour-sponsored venture capital corporations in this province. It does not mean that any capital flows outside of the province; that's not permitted under the rules.

It just allows more options for companies to achieve investment capital, particularly young and start-up companies. And I think, at this critical time in the economy of the world and even Saskatchewan, that when attracting capital is the number one issue for young and start-up businesses particularly, I think it's particularly appropriate that we've done this now.

So I'll just throw the floor open to questions, Mr. Chair, if that suits you.

The Chair: — Thank you. Questions, Mr. Furber?

Mr. Furber: — Thank you, Mr. Chair. And thank you to the minister and his officials for being here today. Just want to ask a quick question about the consultation process. Who was consulted before the Bill was introduced?

Hon. Mr. Stewart: — Well, consultations have been going on for years, particularly with the three funds — the two provincial ones and the federal one and others in the business community and the financial community. Certainly, consultations started well before the election in '07 on this piece and have been ongoing.

Mr. Furber: — Were any of the consultations with folks from the federal fund managers?

Hon. Mr. Stewart: — Certainly. They were spoken with, no question about that.

Mr. Furber: — What was their interest in seeing this change?

Hon. Mr. Stewart: — Well naturally they wanted to be on a level playing field with the provincially administered funds.

Mr. Furber: — Any idea how the provincially administered

fund managers feel about this?

Hon. Mr. Stewart: — Well they informed me personally that there's plenty of business to go around, and that they would soon be bumping up against their new cap, which we also raised for them to allow them the leeway to do more business. And that while they'd just as soon there wasn't a federally administered fund, they didn't think it would hurt their business, and that we should just go ahead and do what we're going to do.

Mr. Furber: — For the sake of informing some of the provincial fund managers who informed me that they were certain that capital would flow outside of the province because of this Bill, maybe you could sort of follow the money or sort of draw a picture of how the money is invested and how it would stay in the province under this new legislation.

Hon. Mr. Stewart: — Under the legislation, there will be no flow of cash capital outside of the province through these investments through GrowthWorks. And if there is, money equal to the amount of the tax credit goes into a trust fund which the government can claim in the event that capital does flow out of the province and is not invested in the province. So we're completely covered on that. Not only is it against the rules, but if they break the rules, we get the money.

Mr. Furber: — So what would happen with the money that goes into that trust fund? How would it be administered?

Hon. Mr. Stewart: — Well I don't know if we've got that far. We don't expect it to happen. But I'm sure the rules are in place, and perhaps Mr. Botting knows more about it or Ms. Haas.

Mr. Botting: — Sure, I can start with perhaps, Mr. Furber, money in the trust fund is only released after documented investments are completed, and they must be thoroughly documented. There are also pacing requirements, so that within 24 months after money has been raised through the tax credit system, at least 75 per cent has to flow to eligible businesses. So we've been working on those pacing requirements quite seriously and have to therefore stay in.

We have a long track record of investment into private business from the federally sponsored, labour-sponsored venture capital company. And they have been moving money on a very regular basis, admittedly not nearly as large a yield as the provincially sponsored funds because of the tax limitations before to encourage investor interest. But we are absolutely adamant that \$1 raised in Saskatchewan must be invested in Saskatchewan.

Mr. Furber: — Well that's good to hear, and I'm sure that that will help ease the concern.

Was there any thought, while this legislation was open, to increasing the limit on either of the funds — well, on the provincial fund specifically, I guess?

Hon. Mr. Stewart: — We did do that, actually. We increased the limits from 25 million to 50 million on both of the provincial funds. And as well, that's the limit on the federal fund.

Mr. Furber: — I'm sorry. My fault. Let me be a little more clear. For the individual investor, the \$5,000 limit that's been in place for many years now, was there any thought given to increasing that limit?

Hon. Mr. Stewart: — There has been, and I think that will be ongoing. But it's a tax piece, and for this tax year, with the record income tax cuts that we've made — that we'll have to begin to pay for in 2009-2010 fiscal year — and the record property tax cuts, we have opted for now to leave the individual limit at 5,000.

Mr. Botting: — In speaking of consultation, this is the year of a program review for the labour-sponsored venture capital program. And in the year ahead, as part of that program review, we anticipate some heavy consultations further on that particular element plus a few others.

Mr. Furber: — Yes. Well virtually all of the managers that I talked to said that they hadn't been asking so much for the changes that were made in the Bill, but for an increase for the limit for individual investors. And so I'm hopeful that there will be an increase to allow for more capital dollars for Saskatchewan companies.

Hon. Mr. Stewart: — Actually, Mr. Furber, I was approached by both Grant Kook and Randy Beattie, who didn't mention that piece at all, but they did ask that the cap for their programs be raised from 25 to 50 million. And we did that.

Mr. Furber: — So how close to the \$25 million was the expenditure last year?

Hon. Mr. Stewart: — I think they were bumping right up against it last year.

Mr. Botting: — We had some unconfirmed final tallies, but unofficially we've been told SaskWorks brought in 34 million in this current year-end closing after the RRSP [Registered Retirement Savings Plan] season, Golden Opportunities at 25 million. And just to put this in comparison, the federally sponsored venture capital fund only raised about 400,000, given the limitation on the lower limit and the lower tax credit.

[15:30]

Mr. Furber: — It's your best guess that it was strictly related to that.

Mr. Botting: — It's certainly a disincentive compared to the other tax advantages of the provincially sponsored fund without this legislation.

Mr. Furber: — So you'd mentioned the review. What's the timeline for the review?

Mr. Botting: — The budget cycle, if we can accelerate that.

Mr. Furber: — It'll be done prior to sort of the end of March in '10.

Mr. Botting: — Yes, yes, I would think by fall to enter the budget cycle appropriately in budget planning.

Hon. Mr. Stewart: — And at that point it becomes a tax decision for Treasury Board.

Mr. Furber: — Those are all the questions I've got.

The Chair: — Seeing no more questions. Clause 1, short title. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 and 3 agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 84, *The Labour-sponsored Venture Capital Corporations Amendment Act, 2009*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I'd ask member to move that we report Bill No. 84, *The Labour-sponsored Venture Capital Corporations Amendment Act, 2009* without amendment. Ms. Wilson.

Ms. Wilson: — I so move.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Our next order of business will be Bill No. 71. And, Mr. Minister, you have some different officials, so we'll take a recess until the officials are in place. So just take an in-place recess until we're ready.

Bill No. 71 — *The Innovation Saskatchewan Act*

Clause 1

The Chair: — Okay, I call the committee back to order at this time, and the item before the committee is Bill No. 71, *The Innovation Saskatchewan Act*. And I would ask the minister to introduce the officials for this Bill, and if there's any statements he would like to make.

Hon. Mr. Stewart: — Thank you, Mr. Chair. To my left, once again, Mr. Dale Botting, CEO of Enterprise Saskatchewan. To my right, Mr. Dave Katz, acting director, innovation and advanced technology for Enterprise Saskatchewan. And by way of introductory remarks, I'll keep it very short. I want to leave as much time as possible for questioning.

But Innovation Saskatchewan is a coordination and oversight body that will link our substantial research and innovation assets around this province together, and in a move to avoid duplication as much as possible and to assign our, you know, sometimes limited resources in this field in a more effective fashion. And that's what it's about, and I'm more than happy to answer questions on that.

The Chair: — Questions. Mr. Furber.

Mr. Furber: — Once again, thank you to the minister and his officials for being here to answer questions. I guess again quickly just to start off, who was consulted in relation to the new legislation?

Hon. Mr. Stewart: — Well during the consultation process which began when?

Mr. Botting: — Actually prior to the Bill being tabled in the House, so it would be October last fall.

Hon. Mr. Stewart: — Twenty-six meetings around the province have been held which culminated last weekend with an innovation summit in the city of Saskatoon with some . . . How many people there?

Mr. Botting: — About 150 invitees, about 120 attendees.

Hon. Mr. Stewart: — Right, about 120 principles and players from the innovation field were being in attendance for that meeting. So I think I'd have to say that we've had pretty extensive consultations over the last six months or so.

Mr. Furber: — What was the number one impetus for the Bill?

Hon. Mr. Stewart: — Oh number one, we recognized that innovation economies are successful economies. And we're very proud of the research and innovation pieces in our economy — you know, SRC [Saskatchewan Research Council], the Ag-bio cluster around the University of Saskatchewan, the petroleum and environmental cluster around the University of Regina, and forestry pieces.

You know, we have a very . . . Out of all the ag bio science for instance in Canada, just about a third of it is located around the University of Saskatchewan in our province. And so we felt not only is it important for an economy to be an innovation economy — these days those are the successful economies — but we felt that we had the pieces to be that. But we needed a body to unite those pieces and to organize them a bit more and coordinate them. And that's basically what's behind the Innovation Saskatchewan idea.

Mr. Furber: — Well we're certainly very supportive of innovation agenda in the province. We supported the SRC, SOCO [Saskatchewan Opportunities Corporation], the synchrotron, the PTRC [Petroleum Technology Research Centre], the International Test Centre for CO₂ Capture, the forestry centre, the innovation places at both the universities. So we're certainly on the same page there.

I'm interested though in having the minister square a couple of comments that have been made in the past, one by his leader and one by himself. And the first was this. It says, "The terms of reference of Enterprise Saskatchewan also include the end of government picking winners and losers in the economy." And then the Premier went on to say this some time later, that "We do think there's a role for the government to be investing in technologies and to be partnering with industry." How does the minister square those two statements?

Hon. Mr. Stewart: — Partnering with industry doesn't necessarily mean that we'll be investing taxpayers' dollars in companies or businesses. That can mean that we'll do very early-stage research in partnership with those companies, that we'll do demonstration projects in partnership with some companies, that sort of thing. It doesn't necessarily at all mean that we'll be investing in companies, in these projects, or that we'll be putting up taxpayers' money at risk in return for equity. Those things are possible under the Act, but a long shot. It would take very special circumstances before we'd be interested in doing that.

Mr. Furber: — What might those circumstances be?

Hon. Mr. Stewart: — I can't foresee them right now. As long as I'm minister, I can't ever foresee such circumstances, frankly.

Mr. Furber: — But you won't rule it out.

Hon. Mr. Stewart: — No, we won't rule it out. We want to maintain some level of flexibility.

Mr. Furber: — So it says, the terms of reference will end government picking winners and losers, but you won't rule it out. So I guess I'm having difficulty squaring those two when you've been so critical in the past of government investment and won't rule it out yourself. I think that it's unfortunate that there would be that discrepancy.

Hon. Mr. Stewart: — Well I think that I've explained that we're not talking about investing in certain companies; we're talking about helping with research on projects, and that would necessarily become part of the public domain at that point. And it doesn't pick winners and losers, and so that's what I'm talking about when I say that we won't be picking winners and losers through Innovation Saskatchewan.

Mr. Botting: — If I may, Mr. Furber, and Minister, there's an innovation continuum that we've identified. And in all our consultations it's been almost a universal response back to us. It starts from pure discovery research to applied research to a lifting — still pre-commercial; it's not commercial yet but pre-commercial ideas and concepts — off the laboratory and off the lab bench into some kind of a scale-up and prototype development to determine whether it's still real or not and whether it does have commercial potential.

That is as far as the intervention that we see is appropriate, the potentiality. Once the commercial capacity of an idea or an enterprise has been proven, then there are existing mechanisms, just like the labour-sponsored venture capital program we just talked about, that can kick in now with established pools of capital and actual commercial establishment.

But this gap between what's pure discovery and what actually then gets you either angel-ready or investor-ready, some have called that death valley. And there's a gap there in terms of that pre-commercial lift, which is not even commercial because you don't even know if you have a company or a widget that works yet.

And most of our competitive jurisdictions have moved well in

that area. And it's an area that we're certainly interested in looking at as part of our consultations, that we've been drawn to that by our various stakeholders saying, please examine that for us.

Mr. Furber: — I want to, if I can, quote from this committee, page 349 on April 7, a direct quote from the minister saying, "I said that we didn't believe as a government in risking tens of millions . . . of taxpayers' hard-earned money as risk capital" and it says, "and high-risk ventures," but I think I remember you saying "in high-risk ventures."

Now at an earlier time you had said that the investment in the clean coal technology is very risky. So how do you square those two comments?

Hon. Mr. Stewart: — The investment in clean coal technology is strictly research, and it will be budgeted that way. We're not going to claim that there will be a profit at the end of that road necessarily. We are saying that we need to do this for the environment and for our province, and we're going to do it.

We're not investing in a private sector enterprise and taking an equity position in that company with the facade of making money down the road. We recognize that an investment in clean coal is an expenditure, and the payback will be long term for the province but will not necessarily be related to that research expenditure. It's no different than the money that we put into the Saskatchewan Research Council or the synchrotron or the forestry centre or any other research piece in the province.

That's what that's all about. It's not a risk of taxpayers' dollars. It's an upfront expenditure of taxpayers' dollars on a long-term research for the benefit of the earth and our province.

Mr. Furber: — I guess I'm having trouble because in the Premier's statement and in your statement in this committee there were no caveats. They were blanket, black-and-white statements that said, it's the end of government picking winners and losers in the economy. And you won't rule it out here. And you said that you won't risk hard-earned money in high-risk ventures — which you're going to here, but it has a different aspect to it. In the past we've talked about the Apex Investment Fund here which has a social aspect to it, so I would say that either those comments are hyperbole or they're just flat out wrong, I guess.

Hon. Mr. Stewart: — I've tried to explain this and I'll try again. We're not going to do things the way that the NDP [New Democratic Party] have done them for, you know, 60-odd years where we claim to be investing in some prudent investment with a private company — oftentimes in the NDP experience a fly-by-night private company — with the pretence that we're going to generate a profit for the taxpayers down the road, which has never happened or very, very rarely ever in the NDP experience.

What we're doing here with the clean coal project is investing taxpayers' dollars in straight research, pure and simple. We're not making any claim of a wise investment that's going to pay dividends in terms of profit to the taxpayers. We're saying that this is a science piece and this is straight research, and that's how we're making the expenditure — in an honest and

straightforward fashion, which seems to be something different.

Mr. Furber: — Well you can hearken back to 60 years all you like, but I never made one comment about what our practice was. I'm strictly using direct quotes from yourself and your Premier that are contradicted at every turn when it comes to investments here, when it comes to the Apex Investment Fund, when it comes to clean coal technology, when it comes to you not ruling out making direct investments that are political. So your argument doesn't seem to me to make any sense at all, to talk about 60 years ago or the last 60 years, when I'm quoting you directly from the last couple of years.

[15:45]

Hon. Mr. Stewart: — Is there a question, or are you through?

Mr. Furber: — No. I'm going to ask a question here.

Hon. Mr. Stewart: — Good.

Mr. Furber: — Now you had talked about wanting to avoid duplication by bringing this legislation forward. I guess my question is, why is it necessary to create an entire new arm, another new arm of Enterprise Saskatchewan when it already has — how many members — 160? 100 and . . .

Mr. Botting: — Only a board of 12 people, but they've got volunteer . . .

Mr. Furber: — Well all the different wings and . . . You've got an innovation agenda. My question is, why isn't the present structure handling this file?

Hon. Mr. Stewart: — Well first of all I want to clarify something that you said in your ramble before you finally asked the question, where you said that I had admitted that we'd be making investments that would be political. Certainly nothing could be further from the truth. We will not be making political investments, unlike your former government, the NDP government, who did that on a regular basis.

And why is there a separate board for Enterprise Saskatchewan and Innovation Saskatchewan? Clearly it's because Innovation Saskatchewan will be specialized and focused on innovation, whereas Enterprise Saskatchewan is the economic development agency for the province.

Mr. Furber: — Well I'd like to, if I could, quote from *The StarPhoenix*, October 23, 2008, where it said, "Unlike Investment Saskatchewan with its independent board, there may be political involvement in the decision-making process around investments, Stewart acknowledged." So could you square your last comments with the comments in *The StarPhoenix*, October 23, 2008?

Hon. Mr. Stewart: — Well I can say that I never made that statement at any time ever.

Mr. Furber: — Well it'll be interesting, I guess, talking to the editorial board of *The StarPhoenix* on that.

Now in terms of transparency and accountability, how many

line items in the budget will Innovation Saskatchewan have?

Hon. Mr. Stewart: — It'll be the same as other agencies like SRC. There will be just one line item.

Mr. Furber: — Now under the way the economic development was managed in the past, going back a number of years, there was a series of detailed line items regarding innovation investment, government investment in technologies and in private companies, as the minister suggests. How does this increase or improve on transparency and accountability?

Hon. Mr. Stewart: — Innovation Saskatchewan is only a coordinating agency. We're talking about, you know, half a dozen, maybe eight employees total. This isn't going to be a big deal as far as expenditures go.

Now you know, it's totally a red herring that much larger organizations like SRC have always had one line item and this tiny organization, Innovation Saskatchewan, will have one line item. I don't see a problem there, but if you do, good for you.

Mr. Furber: — I don't understand the red herring. What does that mean?

Hon. Mr. Stewart: — Well SRC budget is many times the size that the Innovation Saskatchewan annual budget will be. And one line item seems to be all right for SRC and seems like it has been for all the 16 years most recently that the NDP were in power, and apparently it still is with the member. And so why would the tiny budget of Innovation Saskatchewan require more than one line?

Mr. Furber: — Well a red herring is when you draw attention to something to avoid attention at something else.

Hon. Mr. Stewart: — I believe that's what you're doing.

Mr. Furber: — I'm simply raising a point about transparency . . .

Hon. Mr. Stewart: — That's what you're doing exactly.

Mr. Furber: — And accountability. Now just simply if the minister could explain if there are any implications at all on SRC, the synchrotron, in terms of investments being made by Innovation Saskatchewan.

Hon. Mr. Stewart: — Only that Innovation Saskatchewan will be a coordinating body for those agencies. I can't think of any direct implications, and I assume the member's getting at negative implications. I'm sure he wouldn't be pointing out anything that might be positive. But I can't see anything that would be negative at all for either of those organizations, only positive things in coordinating and maybe better focusing some research and innovation dollars around the province. So there'll be more for the projects that they're involved in.

Mr. Botting: — If I can elaborate, as a coordinating agency, it would be one step removed from the actual, if I can use the term, retail delivery of direct expenditures. The Innovation and Science Fund, which is under AEEL [Advanced Education, Employment and Labour], would continue to provide the major

capital projects in matching the Canada Foundation for Innovation. Or say in the case of agricultural research expenditures, the ADF, the Agricultural Development Fund, would stay within the line items of Agriculture as a ministry.

And so this would be an agency that would be one step removed back to provide strategic advice, coordination, asset management in terms of some of the activities that are actually managed through the budgets of other ministries. It would provide that frame of reference.

And the kinds of things they would look at is how to accelerate more active research business partnerships, how to create a more consistent approach towards management of intellectual property, how one could further develop a greater unity of purpose around commercialization activities and provide some best practice in a shared delivery mechanisms to enhance that kind of coordination. So it would be more, kind of a background wholesale type of coordinating agency with the retail of expenditures, if I can use that term, being through the existing public accounts.

Mr. Furber: — I guess all I want from the minister today is a guarantee that — whether he made or didn't make the statements, that there's an implication that there's maybe political involvement in decision making if the conditions are right — that they won't affect negatively the SRC, the synchrotron, or any of the other . . .

Hon. Mr. Stewart: — Certainly, you have that commitment. They will not negatively affect SRC or the synchrotron or any other research agency around the province. But part of the reason for Innovation Saskatchewan is to have an independent board make some of the decisions and take more and more of the political decision making away from Innovation — not the other way, not the way that the previous government used to do it when all of those decisions were made around a cabinet table.

Mr. Furber: — Those are all the questions I've got today. I'd like to thank the minister and his officials for answering questions today.

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

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 25 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows: Bill No. 71, *The Innovation Saskatchewan Act*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I'd ask a member to move that we report Bill No. 71, *The Innovation Saskatchewan Act* without amendment.

Ms. Ross: — I so move.

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

Some Hon. Members: — Agreed.

The Chair: — Carried. I'd like to thank the minister and officials for being here to answer the questions. And that concludes the business of Bill No. 71.

Hon. Mr. Stewart: — Thank you, Mr. Chair and members. It's been a shorter afternoon than anticipated.

The Chair: — We have some more business of the committee here. I'll just sign the Bills.

**General Revenue Fund
Enterprise and Innovation Programs
Vote 43**

The Chair: — Okay. The business before the committee now is the estimates, vote 43, Enterprise and Innovation programs, central management and services, subvote (EI01). There's no amount to be voted.

Investment program, subvote (EI03) in the amount of \$22,133,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Industry development, subvote (EI09), there's no amount to be voted. Regional development, subvote (EI04), there's no amount to be voted. Policy and planning, subvote (EI02), there's no amount to be voted. Saskatchewan Trade and Export Partnership Inc., subvote (EI07), there's no amount to be voted. Amortization of capital assets, this is for informational purposes only. There's no amount to be voted.

Enterprise and Innovation programs, vote 43, \$22,133,000, I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2010, the following sums for Enterprise and Innovation programs in the amount of \$22,133,000.

Mr. Harrison: — I so move.

The Chair: — Mr. Harrison. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 43 agreed to.]

**General Revenue Fund
Lending and Investing Activities
Enterprise and Innovation Programs
Vote 144**

The Chair: — Vote 144, Enterprise and Innovation programs, loans under *The Economic and Co-operative Development Act*, subvote (EI01) in the amount of \$5,500,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Enterprise and Innovation programs, vote 144, \$5,500,000, I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2010, the following sums for Enterprise and Innovation programs in the amount of \$5,500,000.

Mr. Michelson: — So moved.

The Chair: — Mr. Michelson moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 144 agreed to.]

**General Revenue Fund
Enterprise Saskatchewan
Vote 83**

The Chair: — Vote 83, Enterprise Saskatchewan operations, subvote (ES01) in the amount of \$21,804,000, is that agreed?

Some Hon. Members: — Agreed.

[16:00]

The Chair: — Carried. Programs, subvote (ES02) in the amount of 25,501,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Enterprise Saskatchewan, vote 83, 47,305,000, I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2010, the following sums for Enterprise Saskatchewan in the amount of 47,305,000.

Ms. Wilson moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 83 agreed to.]

**General Revenue Fund
Saskatchewan Research Council
Vote 35**

The Chair: — Vote 35, Saskatchewan Research Council, Saskatchewan Research Council, subvote (SR01) in the amount of 15,016,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Saskatchewan Research Council, vote 35, 15,016,000, I'll now ask a member to move the following resolution.

Resolved that there be granted to Her Majesty for the 12 months ending March 31, 2010, the following sums for Saskatchewan Research Council in the amount of 15,016,000.

Ms. Ross: — I so move.

The Chair: — Ms. Ross moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Vote 35 agreed to.]

The Chair: — Standing Committee on the Economy report. Committee members, you have before you a draft of the sixth report of the Standing Committee on the Economy. We require a member to move the following motion:

That the sixth report of the Standing Committee on the Economy be adopted and presented to the Assembly.

Mr. Harrison moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Motion moved by Mr. Harrison:

That the sixth report of the Standing Committee on the Economy be adopted and presented to the Assembly.

Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. That concludes the business of the committee. I'd like to thank the committee members for their diligence and all of their work today and in the past. I believe this is the last sitting that we have of the committee. So again I'd like to thank the committee members, and I would now entertain a motion for adjournment.

Ms. Wilson: — I adjourn.

The Chair: — Ms. Wilson adjourns. This committee is now adjourned.

[The committee adjourned at 16:08.]