



# **STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE**

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**STANDING COMMITTEE ON INTERGOVERNMENTAL  
AFFAIRS AND JUSTICE**

Mr. Warren Michelson, Chair  
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Mr. Kim Trew, Deputy Chair  
Regina Coronation Park

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Mr. Michael Chisholm  
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Mr. Wayne Elhard  
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Ms. Deb Higgins  
Moose Jaw Wakamow

Mr. Delbert Kirsch  
Batoche

[The committee met at 16:08.]

**The Chair:** — Good afternoon, ladies and gentlemen. Welcome to the Standing Committee on Intergovernmental Affairs and Justice. My name is Warren Michelson. I am the Chair of this committee, and the other members of the Chair are Wayne Elhard. Sitting in for Wayne Elhard this afternoon is Nadine Wilson, chitting in. Other members will be Delbert Kirsch, Greg Brkich, Michael Chisholm, Kim Trew, and Deb Higgins.

This afternoon we will be considering Bill No. 136, *The Technical Safety Authority of Saskatchewan Act*. With us is Minister Huyghebaert. Mr. Minister, if you would like to introduce your officials and give your opening statements, you could do that now.

**Bill No. 136 — *The Technical Safety Authority of Saskatchewan Act***

**Clause 1**

**Hon. Mr. Huyghebaert:** — Thank you, Mr. Chair, and welcome to all members of the committee here. To my immediate right is Al Hilton, the deputy minister. To my far right is Karen Lautsch, executive director of strategic policy. To my left is Chris Selinger, acting executive director, licensing and inspections. Behind me is Mae Boa, assistant deputy minister, corporate services and public safety. Jason Rumancik is policy analyst, and Rob Nicolay is my chief of staff.

Mr. Chair, I would have some opening remarks, but they might sound repetitive to members because a lot of what I will say was contained in the second reading speech for Bill 136. But I would like to use it as a refresher for members. This Bill proposes legislation to establish the Technical Safety Authority of Saskatchewan. This new authority will provide regulatory enforcement and advisory services related to safety standards for boilers, pressure vessels, elevators, and amusement rides. The authority will also administer the associated safety statutes related to this equipment.

And, Mr. Chair, we've talked about, in my second reading speech, about the numbers of inspections that have been carried out, and members may have questions about that. One of the reasons for bringing this authority in is we are a number of inspections behind, and we feel that this will greatly enhance the inspection process and deal with the backlog.

Currently periodic inspection of in-service pressure equipment, elevators, and amusement rides are prescribed under *The Boiler and Pressure Vessel Act, 1999*, *The Passenger and Freight Elevator Act*, and the amusement safety ride Act. And we know that the boilers and pressure vessels are inspected at frequencies of one, two, or five year intervals, depending on the assessed degree of potential risk. And elevators are inspected frequency of 12 to 18 months depending on their assigned risk, and it's for all the types of elevators — passenger, freight, and other elevating devices. Amusement rides are inspected each year or when they're being set up at fairs or exhibitions across the province.

We know that if any of this equipment is found deficient after an inspection, a correction order is given to the owner or operator. While we know there's a backlog of inspections for boilers, pressure vessels, amusement park rides, and elevators, it is the reason that we wish to look at this Bill. And industry has raised concerns that the timeliness issue could lead to a significant public safety issue. The sooner we're able to move forward with legislation, the sooner we can make progress on our backlog.

This function that currently falls under CPSP's [Corrections, Public Safety and Policing] mandate will move to an authority that collects its operating revenues from its stakeholders. It is necessary to align revenues with expenditures appropriate for the business year. Ultimately funding out of the General Revenue Fund will only be provided until July 1st of this year.

Over the course of the summer — last summer — ministry officials consulted with industry representatives on their issue of how licensing and inspection services are now structured, and on how they could suggest improvements to timeliness and quality control. We were told unequivocally that a stand-alone organization was the course to take. Government is just not structured in a way that is sufficiently flexible and responsive to industry's need. This is particularly the case when we look at the issue of recruitment and retention of technical experts.

In our deliberations over creating an authority, we also took into account that similar organizations undertaking similar work have been operating successfully in British Columbia, Alberta, and Ontario. Under such a model, the authority may charge fees and retain revenues, but its policy, legislation, and regulations Bill will be retained by government, specifically Corrections, Public Safety and Policing, to ensure continued maintenance of public safety and accountability.

The legislative proposal prescribes what must be included in the agreement and includes such requirements as the expected safety outcomes, performance objectives of the authority, requirements for and access to records, requirements for insurance, and provisions for settlement of disputes. In addition the technical safety authority legislation sets out the governance structure for the organization.

Mr. Chair, I should also point out that there will be consequential amendments to the associated safety statutes — *The Boiler and Pressure Vessel Act, 1999*, *The Amusement Ride Safety Act*, *The Passenger and Freight Elevator Safety Act* — which address their delegation to the authority. And finally, Mr. Chair, I am pleased to note that the employees of CPSP's licensing and inspection branch will be transferred to the new authority, meaning there will be no job loss as a result of this transfer. And on that, Mr. Chair, I am ready to answer questions.

[16:15]

**The Chair:** — Thank you, Mr. Minister. I would just ask that your officials that when they answer, if they help answer for questions, just identify themselves for the record. Joining us with our committee is Mr. Kevin Yates. Mr. Yates, did you have some questions?

**Mr. Yates:** — I do, but I will let my colleague begin.

**The Chair:** — Mr. Trew.

**Mr. Trew:** — That's fine. Thanks, Mr. Chair. I welcome Mr. Yates here too, but I welcome the minister and the officials. And I have a few questions around this Bill 136. We've got some serious concerns about it, many of which we've pointed out in our second reading speeches, so there should be significant ability to address some of those concerns that the opposition has with it.

Minister, you spoke about consultation with industry. Did the consultation go anywhere beyond industry?

**Hon. Mr. Huyghebaert:** — Yes. Yes, Mr. Trew. Mr. Trew, there is a huge list here if you would like a copy of the list, or would you like me to read them into the record? Because . . . electrical contractors association, mechanical contractors association, oil and gas, AltaGas, Apache gas, and there's a whole page of people that were consulted with if you'd like a copy of that. Or would you rather me read them into the record?

**Mr. Trew:** — Minister, entirely your choice. So far, you've read business only and I realize you've only just barely sampled, but whichever. I just want the information.

**Hon. Mr. Huyghebaert:** — I can give you the list of the businesses. Acuren Group, Bonavista Petroleum, BP Energy, Canadian Natural Resources, Devon Canada, Encana, Enerplus Resources, Imperial Oil Resources, International Pressure Equipment Integrity, Keyera Energy, Nexen, Northern Materials, PennWest, Paramount Energy, Provident, Ross Energy Services, Skystone Energy, Spectra, Suncor, Talisman Energy, TransCanada, Semcan, R.A. Engineering, ConocoPhillips.

If you think it's only the business, I'll go through some of the other agencies. Saskatchewan government ministries and agencies: Apprenticeship and Trade Certification Commission; Advanced Education, Employment and Labour; Enterprise Saskatchewan; Finance; Health; Saskatchewan Housing Authority; ministry staff; Saskatchewan Government and General Employees' Union.

Pressure equipment manufacturer and maintenance, there's Carson Energy Services, Hitachi Canada, Saskatoon Boiler Manufacturing. Refining and process, Consumers Co-operative, Husky Moose Jaw Refinery, SaskEnergy, SaskPower, TransGas, and Yara.

**Mr. Trew:** — Thank you, Minister. Did I miss . . . I never heard a single consumer organization or general public. I heard a list that at rough count was 50 corporations and — I don't know — 15, 20 direct government organizations. But I did not hear a single consumer organization or a call for any public input in any way. Did I miss something?

**Hon. Mr. Huyghebaert:** — I may not have gone through the whole gamut on the other side of it. Gas, Mechanical Contractors Association. Elevating devices, ThyssenKrupp and Otis. Building owners and operators, Building Owners and Managers Association.

But I think in fairness also, you have to look at what the Bill deals with. It's inspection of pressure vessels. And I'm not sure what your question would be, is what stakeholders you would consult with because the people you want to consult with is people that are going to be the users of the inspections. And that's what we're doing. We're moving the inspection agency to a delegated authority.

Now I'm not really quite following. Like what consumer groups would be interested in whether a pressure vessel is inspected by this person or that person?

**Mr. Trew:** — Thank you, Minister. Mr. Chair, certainly many of the . . . I think there's 52 people that work in this field, in this area that are proposed to move into the new authority. I will be asking you a little later how many of them are unionized, are in-scope. I would think that their union would have something to say about it. I would think other unions would have something to say about it.

But you know, around the world we've come through — just off the top of my head, Mr. Chair — the Enron crisis. We've had . . . well right now we've got, in the Gulf of Mexico, we've got an oil platform spewing out . . . I don't know; the number keeps growing every day at the rate of flow. It started off quite small, and it's clearly a massive catastrophe that, as I understand it, has happened in no small part because the United States government was making it easier and easier for the companies to in fact drill. And they stopped an automatic emergency shut-off valve as a cost saving and as an encouragement to, you know, the companies to drill for ever more oil.

I'm not opposed to drilling for oil. I mean I like to drive my vehicles. I enjoy the natural gas that heats my house. I enjoy all of these good things, but we have a responsibility. We've just come through, or I shouldn't say we've come through because we're still in the middle of a worldwide financial crisis that happened from deregulation.

It seems to me, Minister, my point is that the public of Saskatchewan would be keenly interested in the privatization of inspection of pressure vessels and boilers and the very things that you talk about. The interest is far greater than merely companies'. And I appreciate companies have an interest in it. I'm not trying to denigrate their interest. But there's a million people in Saskatchewan, and virtually all of us get on elevators at some point or another.

And most of us have had experiences where we've gotten on an elevator and not sure where we're going to get off. The elevator's behaved like a yo-yo at some point in our lives. I'm surprised at how many people have stories of elevators, you know, stopping three feet short or you know the doors opening and there's a brick wall staring them in the face — that sort of thing. So that's, Mr. Chair, that's where I'm coming from. Was there any polling done, or any direct question to the public of Saskatchewan around this privatization?

**Hon. Mr. Huyghebaert:** — It's not privatization; that's the first thing that I would like to have you understand. It is not privatization. It's not self-regulation, or it's not deregulation. And I may have to repeat that more than once, but it is not

privatization. The authority is a not-for-profit corporation that cannot use its revenues for anything outside of its legislative mandate. Government appointees will sit on the board with other respected professionals to ensure that public safety and industry needs are met.

Industry will have an opportunity for input on technical issues through the soon-to-be-formed minister's technical advisory committees as government retains control of regulations, and all regulations are being maintained. This is not deregulation. It is not privatization. And I think that's a key element that I wish to leave with you. And also on the consultations you had asked — and we can get back to the numbers of union people — but staff were consulted on this. The staff in the ministry were consulted in the inspections branch.

And, Mr. Chair, I was trying to relate, I was really trying to get the connection between the oil well in the gulf. And I guess my only relation that I would make to what we're doing here and that is we hold safety at an extremely high value. So we will do anything and everything we can, within the ministry or the delegated authority, to ensure that safety is at the highest standard.

**Mr. Trew:** — Thank you, Minister. Once the authority is set up, where will the . . . Let's assume for the moment that all 52 of the employees that are mentioned in the . . . not mentioned by name but mentioned in your comments. Are you comfortable with me using the number 52 employees? I think that came from you. I just don't want to be putting words in the minister or the ministry's mouth.

**Hon. Mr. Huyghebaert:** — All of the employees, that's why I stated there will be no job losses, so I think 52 is the correct number. I can verify that. It's 52 . . . [inaudible interjection] . . . and it might be 51, we can get you the exact number if you want. But there will be no job losses. They will be transferred to the authority.

**Mr. Trew:** — I thank you, Minister. I just wanted to be clear. I'm not putting numbers in your mouth, and it's not a trick or a trick question. But let's assume all 52 transfer to the new authority. Currently where does their paycheque come from now? And the answer is Government of Saskatchewan. Am I right?

**Hon. Mr. Huyghebaert:** — From General Revenue Fund, but I think when inspections are done, there's monies received. So right now it's a balance, a balance. The money coming in pays the wages, so the new authority will be the same. It's a not-for-profit, so to pay the wages of the individuals, the monies from the inspections would be collected to balance that. So that's where the authority has the right to charge a different level depending on how the authority is set up to maintain their revenues as a not-for-profit organization.

**Mr. Trew:** — Thank you. The first part of the answer was, right now it comes out of the General Revenue Fund, Government of Saskatchewan. After the new authority is up and running, who will sign the paycheques? Will that come out of the General Revenue Fund?

**Hon. Mr. Huyghebaert:** — No, it's out of the delegated

administrative authority or TSASK [Technical Safety Authority of Saskatchewan]. It'll be an independent unit except for the regulation as I mentioned, that we maintain control of as a government.

**Mr. Trew:** — Thank you, Minister. And does this new authority come under the purview of the Public Service Commission, *The Public Service Act*?

**Hon. Mr. Huyghebaert:** — It's a little more technical, Mr. Trew, so I'm going to have the deputy answer it, but the biggest thing is all employee rights will be maintained. But I'm going to ask Mr. Hilton if he would explain it in detail because telling me and me passing it to you, there might be a slip of a word or two. Mr. Hilton.

[16:30]

**Mr. Hilton:** — Yes, Mr. Chair, for the record I'm Al Hilton. The succession rights is a pretty complicated field of law, so we consulted with Justice very closely. All of the existing employee rights as defined in the collective bargaining agreement will go with the employees. It won't have any impact on the collective bargaining unit per se. In terms of Public Service Commission-related policies as it relates to HR [human resources] issues, the board will have responsibility to establish HR policies and procedures for the organization.

**Mr. Trew:** — So, Mr. Chair, the answer is — to my question, does the new authority fall under *The Public Service Act*? — the answer is no.

**Mr. Hilton:** — That is correct.

**Mr. Trew:** — That's what I thought the answer was. But of course it's not privatization, Mr. Chair.

The situation that exists today is that these 52 employees get their paycheque from the Government of Saskatchewan. Their pension is held in PEBA [Public Employees Benefits Agency]. Their benefits are the benefits that have been negotiated between their union and the Public Service Commission.

Once the new authority is set up, target being July 1st, they no longer fall under the PSC [Public Service Commission]. Their collective benefit, bargaining benefits continue, but their paycheque is no longer from the Government of Saskatchewan. The new authority is no longer obliged to continue to follow the Public Service Commission rules. And further, we will have no ability to question the authority in the legislature. There is no more scrutiny.

This is — I don't care how you call it — it is blatant privatization. It is absolutely privatization. And I say, Minister, with respect, shame on your ministry and you for trying to pretend it's anything other than blatant privatization because that's what it is. And if you like that, be proud of it.

**Hon. Mr. Huyghebaert:** — One thing, Mr. Trew. It's not privatization, and I don't care how you wish to describe it. When the regulations and the authority are maintained within the government, I don't think the employees care who signs their paycheque. You may wish to put the privatization spin on

it however you wish, but it is not privatization.

And I would like to bring to your attention — and you should be familiar with it — the quality management system. And I'm wondering if the members on the opposition would consider that privatization because the quality management system was brought in — in what year? — in 2007, and it was brought in totally as a privatized version of inspections.

And it was brought in and we supported it. And we supported it because it was for a very good reason. And we supported your quality management system which was privatization. It was privatization of the system. But the reason it was brought in was to deal with a backlog of inspections, and we supported that.

So I think it's not correct. You may with your people, whoever you want to talk to, you may call it privatization. I will not accept it myself as going to privatization. But I would say that quality management was more privatization than TSASK is.

**Mr. Trew:** — Thank you, Minister. Mr. Chair, my colleague has a few questions on this very area, and I of course have significant more questions, but I want to let Mr. Yates in.

**The Chair:** — The Chair recognizes Mr. Yates.

**Mr. Yates:** — Thank you very much, Mr. Chair. The reason I want to ask these questions at this time, they're much more technical in nature, and you may need to actually get some information and bring the answers back the next time we meet on this. But having been involved with many of these types of transfers over the years in my previous life, just things that moved in and out of executive government to Crown corporations to other things, there are usually detailed transfer agreements that are put in place dealing with the very specific criteria that are contained within the collective agreement.

It's not a simple thing just to say you're transferring the collective agreement and the benefits and provisions of the agreement to a third party because many of the exact provisions are tied to, as an example, government pension plans, government benefit plans, entities within government including, up to and including even the Public Service Commission and *The Public Service Act*. And so it's not a straightforward, simple thing. There's usually a very complex, detailed transition agreement. Has such an agreement been negotiated, and is it in place?

**Hon. Mr. Huyghebaert:** — I'm going to have . . . I mean, there's been so many discussions on this, and I'm going to let the deputy answer it because he knows the technical side of it.

**Mr. Hilton:** — We have a team of people right now that are working hard to implement on all the implementation plans, including all the issues that you speak to. We have the Public Service Commission deeply involved, Justice deeply involved because one of the things we want to make sure of is that we dot all the i's and cross all the t's. So those kind of discussions are ongoing, and we're having discussions with the SGEU [Saskatchewan Government and General Employees' Union] on that.

**Mr. Yates:** — Thank you very much. That gives me some level

of, at least feeling of, that at least the detail's being dealt with. These agreements usually take — unfortunately, just the amount of work they are — several months. Do you expect to have it completed, to be able to have it in place prior to the transition date?

**Mr. Hilton:** — The government has directed the deputy to have it operational by July 1. So that's the deputy's task.

**Mr. Yates:** — Thank you very much. And you expect to be able to achieve that date?

**Hon. Mr. Huyghebaert:** — Yes. One of the issues of course is making sure that this Bill gets passed. But there's been a lot of work going on towards this end because we've had many discussions on it. And our target date obviously has stated is July 1 or July 2 maybe, whichever is the Monday . . . or July 1, I believe was in our Bill. And that's our target date, and we don't see any reason why we can't be up and going by then.

**Mr. Yates:** — Thank you very much, Mr. Minister. My next question has to do with after the transition period in the particular collective agreement these individuals are in, there's a great deal of reference to and tied to government benefits and benefit plans, most of which have the ability, in fact all of which have the ability, to have third parties participate in the plans by agreement of the new third party entity. Is that the intention of the government?

**Mr. Hilton:** — If I understand your question correctly, I think the short answer would be, yes.

**Mr. Yates:** — Just to clarify and to make sure. The pension plan, even the life insurance plan, the benefit plans, people outside that aren't employed directly by government still can be part of those plans by a reciprocal agreement or by an agreement of the parties, so nothing would in essence change for them as far as those benefits, health, life, pension, those things?

**Mr. Hilton:** — Not in the immediate term. What happens, you know, three or four or five years down the road will really be up to the employees and the organization.

**Mr. Yates:** — Thank you very much. Normally in a process like this as well, there is the opportunity for employees who would move to a new entity to revert back or come back to government for a period of time after. In the case of, you know, the specific inspectors and very technical jobs, that may not be possible because there aren't other opportunities. But in the event of perhaps support staff and those who find that moving to the new entity isn't what they thought it would be, will they have an opportunity to bid back or to revert back into executive government for a period of time?

**Mr. Hilton:** — I'll answer that as best as I can. I think that one of the issues that we're dealing with, in terms of the transition, is addressing those kinds of questions. To date I'm not aware of any staff that want to stay in government. In the event that they do transfer and want to come back, that's one of those issues that we'll need to sort out in the implementation process.

**Mr. Yates:** — Thank you very much. I guess there's a sort of

an accompanying question here that might answer the majority of my concerns. There has been a standard template for these types of transitions for probably a decade or more — for more than a decade, probably two decades — in place, and very few of any the transition agreements have varied from that in a great deal. Is the same template being involved in this transition?

**Mr. Hilton:** — I wish it was as simple as that. The standard template would be our starting point, but no one has shown this deputy a standard template that deals with all the operational implementation issues we need to deal with. With respect to your previous question as well, if I can just add, all of the collective bargaining rights will go with the employees so that the bargaining unit isn't going to change in relation to coming back to the government.

**Mr. Yates:** — Thank you very much. I agree with you. No two transitions are exactly the same. There's always nuances to the particulars of jobs. But when you're dealing with collective agreements that's some — I don't know — 250 pages in size, usually about 20 per cent of it only applies to when you get into a narrow group of employees, and the rest would apply to the broader group because of course the agreement applies to you know 10, 12,000 people. So definitely there will be change moving forward. Are the employees all aware of the impending transfer date?

**Hon. Mr. Huyghebaert:** — Yes. Yes, they are. And they have been consulted. They have been consulted on this for some period of time.

**Mr. Yates:** — Thank you very much. That would conclude what questions I have in that area now, and I'll let my colleague go back to asking questions.

**The Chair:** — Thank you, Mr. Yates. The Chair recognizes Mr. Trew.

**Mr. Trew:** — Thank you very much, Mr. Chair. Minister, earlier you commented or in your opening remarks you talked about there being a backlog of inspections required. Where is the backlog? Like in which area because this is boilers and it's pressure vessels and it's elevators, and it's amusement rides. Where is the backlog?

**Hon. Mr. Huyghebaert:** — I'll just look it up. There is a figure of about 9,000 that are behind, and I'll get you a figure in a second here. Mr. Trew they're called overdue. And I was out by a little bit — maybe we've caught up a little bit — but the ones as of April 8th, boilers there's 1,353; pressure vessels 5,986, refrigerator plants 139, for a total of 7,478.

**Mr. Trew:** — Thank you, Minister. I appreciate those numbers and where you're at, and I wouldn't characterize that as your first answer being out in any significant way. I appreciate the accurate follow up.

The call for this Bill, as I understand it, is because you have the backlog of inspections that needs to take place. Can you tell me how the passage of this Bill and the setting up of an authority is going to make 52 workers do more inspections or somehow deal with the backlog? Can you help us with that?

[16:45]

**Hon. Mr. Huyghebaert:** — I'll give you my version of it, and then I'll ask officials to fill in the blanks, if you wish. One of the issues that we have with backlogs is getting inspectors and enough inspectors to do the job. Obviously if there's lots of inspectors, we wouldn't have a backlog. Through the government system, it's very difficult to compete for inspectors. It's very specialized engineers or whatever to do the inspections. And so industry is a tough competitor when it comes to hiring these people.

A delegated authority has more flexibility than the government in being able to hire more inspectors, and a delegated authority doesn't have the same guidelines that government might have in what one could pay. So a delegated authority, being a not-for-profit organization, if they wish to compete for the hiring of inspectors and paying them more money in competition with the private sector, they could do that. And again as a non-profit organization or not-for-profit organization how they would recoup these monies would be by charging the industry more.

So this is kind of where the authority comes from with members of the board being from industry. Some members of the board would be from industry, and that's where this is negotiated is say, lookit, we need more inspectors. Okay, if you need more inspectors, you got to compete for them. So if you're competing for more inspectors and the only way you're going to get them is by paying more money, then the board can say, if this is what we need, then we have the freedom to hire more inspectors and pay more money, whether it's on a temp basis or on a permanent basis. But it's to fill, to help get rid of that backlog. So there's a lot more flexibility within a delegated authority than there is in government.

And I would just ask the deputy if he has anything that he would like to fill in on that.

**Mr. Hilton:** — Yes, just a couple of observations just to pick up on the minister's comments. A big advantage will be in the ability to be nimble. For example, we respond to a lot of sort of on-demand inspections where people will phone us and want inspections right away. So the authority, properly implemented, should be more nimble and more responsive. It will retain the revenue that it gets for its services, and it will be sort of more accountable to the people that are paying the service. And if the people that are paying the service want service enhancements, those fees can go up. And the people that are getting the service will have knowledge that the fees that they're paying are staying with the safety program.

**Mr. Trew:** — Okay. So in essence it's the fees are going to go up for inspections. Yes, the fees for inspections are going to go up.

**Hon. Mr. Huyghebaert:** — Well not necessarily. Again this is where the board will establish whether, if they can hire more inspectors, it's going to be predicated upon what kind of inspections and what can be done within what the board decides on.

So inspections, if industry needs more inspections to be done

... And I give you the example that one company gave to me is, he is building — and I can't even remember exactly what it was — he's building something. But he needs an inspection, and he's building this, and it's costing him money because of time. And if he has to wait for two months, three months, six months for an inspection, it's costing him money because he can't complete the project until he gets this item inspected. Then he can build and then get this item inspected. So he has indicated that going to an authority like this would provide the flexibility where he is willing to pay more. It's costing him a whole pile of money not to have the inspection done. And he said to me in my office that I'm willing to pay more because it's costing me a lot of money not to have this done.

So there's an example where an individual company is willing to pay the money to have the inspections done. The problem is, at right now as I see the problem, is we don't have enough of the inspectors to actually complete this in a timely manner.

**Mr. Trew:** — Why is it that we don't have enough inspectors, Minister?

**Hon. Mr. Huyghebaert:** — Again as I mentioned, it's competing with industry for the inspectors. And I would ask officials if they have a different point of view than I have. But if you are going to be an inspector, want to be an inspector, you have all of the qualifications for an inspector, and government's going to offer you \$75,000 a year, and industry's going to offer you \$125,000 a year, I have a feeling I know which job you would take.

**Mr. Trew:** — So the fees for inspections are going to go up?

**Hon. Mr. Huyghebaert:** — It's possible. But again, it's going to be directed by industry. If industry needs the inspections to be done, they're the ones that are going to say I don't mind paying more money. So the fee to go up for everybody, I can't say that. That's going to be part of the delegated authority. That's going to be part of their mandate in this not-for-profit organization.

**Mr. Hilton:** — Just on, if I could, Mr. Chair, just on the question of fee increases, there's no reason to assume that there's going to be fee increases. If the safety agreement that we reach with this new authority provides the exact same level of service that is currently being provided; if in the future, industry demands better service, and industry's prepared to pay for it, then fees will go up.

But at the outset, all of the existing safety standards will continue to apply. So if industry wants quicker, more nimble inspection services and they're prepared to pay for it, then there's a possibility that in the future, fees will go up.

**Mr. Trew:** — And if industry wants fewer inspections and want the fees to go down, that's what will happen?

**Hon. Mr. Huyghebaert:** — No, because we set the standards.

**Mr. Trew:** — Then, Mr. Chair, fees are going to go up.

**Mr. Hilton:** — So in the safety agreement that we reach with them, we will need to be satisfied that legislation is being

respected, the legislation captures all of the existing safety standards and existing regulation. And the safety agreement will be tabled in the legislature.

**Mr. Trew:** — Mr. Chair, will the legislature be able to review the activities of the new inspection authority by way of ... I asked the minister moments ago what the backlog was in inspections and he gave me a very detailed 1,353 boilers and 5,000 and the exact number in the pressure vessel. Will we be on an annual basis able to get that detail in a committee or in the legislature? Does that review continue?

**Hon. Mr. Huyghebaert:** — The short answer is yes. But I would ask Karen if she would speak to the technical side of it.

**Ms. Lautsch:** — It's Karen Lautsch. There are a number of ways in which the Legislative Assembly will have opportunity to review the activities of the authority. Firstly, the minister will retain all responsibility for legislation for these technologies and the regulations. So any time there is a change to any of the safety standards, those will be brought before the Legislative Assembly for debate.

Secondly, the authority will table its annual report, provide the annual report to the minister, and the minister will table it in the Legislative Assembly. That annual report, we would assume that it will include such things as the activity of the authority, the number of inspections taken, the outcomes of those inspections, etc.

The authority also has to develop a business plan for three years and table it with the minister as well. And the minister has to table it in the Legislative Assembly as well. The safety standards agreement, which is the agreement that governs the relationship between the ministry and the minister and the authority, which is a detailed document in terms of our requirements for them, will also be provided to the minister, and the minister is also required to table it in the Legislative Assembly. The authority itself is also required to publish many of the things that the board does and make them public.

**Mr. Trew:** — Thank you, Mr. Chair. Thank you, that's a fairly detailed answer. So does the annual report come before the ... I know the minister has to table the annual report. Then does that annual report come before a committee for a review?

**Ms. Lautsch:** — The documents will be tabled in the Legislative Assembly under *The Tabling of Documents Act*. So in such that any documents under that Act, as I understand, can be brought forward for discussion under the Assembly, that's how they would be brought forward.

**Mr. Trew:** — Just to be clear. They would be brought forward, Minister, under your ministry's review, so tonight we would be able to ask questions around the new authority.

So what I've been able to figure out is we've got a privatization going on that ... Admittedly, Minister, you and I disagree on what it's called. I want to clear about that. I call it a privatization. You're adamant it is not.

But the 52 employees currently are getting their paycheque, Mr. Chair, from the Government of Saskatchewan. And after July



1st, they will not be getting their paycheque from the Government of Saskatchewan but from this new authority. I've learned that the reason for the new authority is so that inspections can be more responsive to the needs of industry.

And I'm very carefully not trying to put words in the minister or the ministry's mouths. I'm trying to the best of my ability, Mr. Chair, say what I've learned tonight. And of course the minister will be able to correct me or to suggest something different, if I've missed it, if I've missed it. But that's what I'm hearing so far.

And I ask questions about the fee structure for inspections, and there's no answer. We don't know. It's up, down, sideways. It can go up. I think anyone watching this would come to the conclusion that the likelihood of inspection fees going down is virtually non-existent. That's just not likely in the cards. The likelihood that the authority will be a little more nimble and be able to say for example when you're in the construction phase and you need an inspection in a timely fashion, there'll be an upcharge for that timely inspection. But you call it, that is you — industry — call it. If you can schedule it, you don't pay the upcharge. But if it's a case of you need an inspection in short order, using the minister's own example, there could potentially be an upcharge for that.

I've learned that the reason for this authority, Mr. Chair, is so that inspectors can be hired more readily. And every example that the minister has used has talked about up paying, that is if the current pay rate, pay offer is . . . I think the minister used an example of \$75,000 a year. I've no opinion whether that's an accurate charge or not. But instead of 75, that the authority might offer 125. I think that was the example that I heard.

[17:00]

**Hon. Mr. Huyghebaert:** — That's not what I said.

**Mr. Trew:** — That's not what you said. Then I apologize in advance, and you will have an opportunity to make sure that I understand it correct. I honestly was not trying to misrepresent what I thought you had said, Minister.

But here we have clearly a situation where the purpose for the authority is so that the hiring of inspectors can take place and, in the examples used, was that the new authority could pay more for the inspectors that are hired and that the new authority could charge business companies more for the inspections but that in turn they might be done in a more timely fashion. That's what I've heard tonight.

I've not heard anything about government's ability to do market rate adjustments. And that has been around for I'm not sure how long, but well more than a decade and I suspect way beyond that. There's always been ability to do market adjustments and pay what you need to. There is contract negotiations, and I know that every time a contract is up, if an employer has a need to pay more it's usually pretty easy to get the collective bargaining unit to agree to that pay raise for wherever it's needed. You know, the very first unionized job I ever had we got an out-of-cycle pay increase because the government had raised, the government of the day, the Blakeney government, had raised the minimum wage and it

exceeded what our starting salary was, so they had to change it up. It was kind of embarrassing for the company, but it was a time of high inflation. Anyway, I digress.

So I'm hearing that that's the reason for this whole Bill. And I know there's at least one point of contention that the minister wanted to try and have it changed. But I see, Mr. Chair, it being after just after 5 and we'd agreed . . . I'm not trying to cut the minister off. I look forward to the answer. I'm willing to sit for a few minutes or we could have it next time.

**Hon. Mr. Huyghebaert:** — I'd very much like to answer the question because you were talking about what I had said. I said specifically if you were making, or had an opportunity for a job at 75,000 or if industry offered you 100-and-some thousand dollars, which one would you take? I didn't say that that's what the delegated authority would be doing. I want to make that very, very clear. Also the member seems to be bent on increases. This organization is on a cost-recovery basis. It's a not-for-profit organization.

And also I can't leave it with Mr. Trew sitting on his privatization issue because I would like him and his colleagues to ponder this question about a quality management system. And for them to come back to us and say, if quality management was privatization . . . And I would like to read what the minister said at the time: “. . . under the . . . legislation, the quality management provisions will allow a greater measure of self-inspection and self-regulation — albeit under the control, the overall control of the Department of Corrections and Public Safety.”

Now I would ask the members if that is privatization because that's exactly what was done in 2007, exactly what was done. And we supported that because it was done for the reason of trying to reduce backlog. This Bill, contrary to what Mr. Trew just tried to describe, this Bill is brought forward to help deal with the backlog.

**The Chair:** — Thank you, Mr. Minister. Is it the wish of the committee to adjourn at this time? Okay, it would appear that the conclusion of this Bill debate will not conclude at this session. So we will adjourn the committee until a later date. Could I have a motion to adjourn?

**Mr. Brkich:** — I'll make the motion.

**The Chair:** — Mr. Brkich so moved. All in favour? Agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. This committee now stands adjourned.

[The committee adjourned at 17:05.]