

EVENING SITTING

COMMITTEE OF FINANCE

General Revenue Fund
Labour
Vote 20

Subvote (LA01)

Hon. Ms. Higgins: — Thank you very much, Mr. Chair. I'd like to introduce the officials from the department and from the Workers' Compensation Board. My deputy minister, Steven Pillar, is to my right. Directly behind me is Cheryl Hanson, assistant deputy minister. And to Cheryl's left is John Boyd, executive director, planning and policy. And back behind the bar we have Eric Greene, acting executive director, labour services; Doug Forseth, executive director, labour relations and mediation; and Allan Walker, executive director, occupational health and safety; Peter Federko, chief executive officer of the Workers' Compensation Board; and Gail Kruger, vice-president, budget and finance, Workers' Compensation Board.

We're pleased to be here this evening to answer any questions that the opposition may have.

Mr. Weekes: — Thank you, Mr. Deputy Speaker, and welcome to the minister's officials. I would like to start out this evening by asking the minister about the \$55.8 million operating loss. And I would just like the minister to explain how this operating loss has come about and what steps are taken to rectify that particular situation.

Hon. Ms. Higgins: — Mr. Chair, on Friday last I tabled the annual report of the Workers' Compensation Board. I gave the financial information for the year ending December 2001. The primary reasons for the operating deficit that the member opposite inquired about is a drastic reduction in investment income of just under \$33 million and also a \$69 million actuarial adjustment. And a combination of those ended up with the \$55.8 million operating deficit.

Mr. Weekes: — Thank you, Madam Minister. I would like to know . . . I understand that there is an emergency meeting called by the board that's going to be taking place over the next two days and I assume it's concerning Workers' Compensation and this huge operating loss. Could you confirm that there will be a meeting held in the next two days and clarify what the meeting is about. The meeting is with Workers' Compensation Board and the stakeholders in Saskatchewan.

Hon. Ms. Higgins: — Mr. Chair, the member opposite inquired about meetings that have been set up with stakeholders and the Workers' Compensation Board. These aren't emergency meetings of any type. When the financial information for the end of 2001 was ready, the annual report was ready, there was meetings set up to inform stakeholders of the issues in the annual report and what will be done to address those concerns.

Mr. Weekes: — Thank you. Could you outline some of the issues that will be discussed at that meeting and then how you

plan on rectifying the problems.

Hon. Ms. Higgins: — Thank you very much. The WCB (Workers' Compensation Board) had set up these meetings to have a more in-depth discussion with the stakeholders now that the annual report has been released — to go into detail on the report and the figures that are in there, more of a detailed analysis, how the \$55.8 million shortfall came about, the concerns that are raised there. The board will give explanation and answer questions and . . . that the stakeholders have concerns with.

It's just more of an informational meeting and give explanations on the annual report.

Also the concern of the actuarial adjustment is not understood well at all times and especially when it gets to be to the amount it is. The adjustment made this year, or last year's report, so they'll go into further explanation on that.

Mr. Weekes: — Could you — Mr. Chair, I'd like to ask the minister — could you explain in more detail those two items that you just mentioned. What are the . . . what is the explanation for the increase in the reserve, or not the reserve but the actuarial that's in the annual report, and also, why has there been such a huge operating loss?

Hon. Ms. Higgins: — As I touched on right at the beginning, the two things that have really contributed to the shortfall this year, or in last year's annual report, and for the WCB was the actuarial adjustment and the loss of investment income, or a smaller return on investment income.

Each year at the end of the year, an actuary reviews the claims and the claim costs at the WCB. And when we talk about claim costs, what we talk about is wage loss, medical rehabilitation, vocational rehabilitation, cost of therapies. And based on that review, the actuary calculates the amount required to fully fund all existing claims into the future. The benefit liability is the amount of money that the WCB must have on hand to pay for future costs of all claims that are in the system. And the difference between the current liability calculation and the prior year's calculations is referred to as the actuarial adjustment.

So that's a brief explanation.

Mr. Weekes: — Thank you. It's obvious that there needs to be some efficiencies and savings in the whole workers' compensation system.

And one thing that was pointed out by the . . . by one report, talked about a 48 per cent increase in administration expenses. Well I'll give part of the explanation. It's gone mainly to salaries. But we notice that there's been such a high increase, a 48 per cent increase in the administrative expenses and I said it goes to salaries. But these staffing increases were despite increased expenditures on consultants and professionals over and above the regular salaries.

Could you explain why there has been such a high increase in expenditures and on . . . for consultants and professionals?

Hon. Ms. Higgins: — Mr. Chair, when we look at the costs of administration with WCB, we can refer to the Association of Workers' Compensation Boards of Canada data that shows that the Saskatchewan WCB, their ratio of administration expenses to accessible payroll is lower than most WCBs in Canada. In the fiscal year 2001, administration expenditures, while they went up 1.5 million, represented only 14 per cent of WCB expenses. Wage-loss benefits, health care, and vocational rehabilitation expenses for work injuries in Saskatchewan accounted for 82 per cent of WCB's expenses in 2001.

WCB adjudicates 38,000 compensation claims and processes over 31,000 employer accounts annually. And there is an upswing in the annual number of work injury claims being reported to the WCB, including the number of long-term claims. And when we talk about long term, we talk about claims that are over a four-week duration. WCB handled 3,534 long-term claims in 2000 — an increase of 1,000 long-term claims — up 33 per cent over the long-term claims in 1996, so that's quite an increase in claims. WCB is receiving more complex soft tissue injury claims and more occupational disease claims, requiring additional adjudication and claim management staff time. So you can see all these contribute to more time spent delivering service to injured workers.

Mr. Weekes: — Thank you, Madam Minister. The information that I have, reports claims have . . . (inaudible) . . . claims have been relatively constant from 1995 to 2000, but still the board has had a 48 per cent increase in expenses. And I'd like a clarification on why there's been so many consultants and other professionals outside the Workers' Compensation that have been hired over this period which obviously has increased costs for the board.

(19:15)

Hon. Ms. Higgins: — Mr. Chair, when we start talking about the costs associated with Workers' Compensation and the administration fees and outside consultants, as the member opposite is well aware, over the last number of years WCB has undergone major reorganization in many ways. A lot of time and effort and dollars was put into upgrading support systems, HR (human resources), IT (information technology) systems. Also delivering specific services to injured workers, there has been an increase over the last number of years, and client service representatives that have been hired to deal with cases as they come in and to deal with them on the long term.

But still in some of the comments that I made earlier when we were talking about administration expenditures and we look at the number of long-term claims, more severe claims and claims of a higher complexity, they take a great deal of time and effort to deal with. They are more complex and take up more services directed towards the injured worker.

Mr. Weekes: — Mr. Chair, all through the annual report it talks about efficiencies and savings. I'd just like to ask the minister with all the changes and the studies that's taken place in the last five years, has there been any savings, and if so, where have they been made, and how has there been a process put in place to measure these savings now or in the future?

Hon. Ms. Higgins: — Mr. Chair, the question from the member

opposite looking for specific details, really all he has to do is look at the rates charged by the Saskatchewan WCB. We're the second lowest in Canada, have remained consistently in the lowest while maintaining good benefits to injured workers in Saskatchewan.

Also over the last three years rebates provided to employers amounted to \$90 million from surplus, excessive surplus that was rebated to employers over the three-year period. And also we had the lowest composite duration index. That's an index that measures time loss, all claims time loss.

So all you have to do is look at the big picture of the WCB in Saskatchewan. They're providing very good services and are very fiscally sound and stable.

Mr. Weekes: — Mr. Chair, I'd just like to quote from the annual report. The average assessment rates for 2001: Saskatchewan is at 1.7 per \$100 payroll and Alberta is at 1.28, which is lower. BC is slightly higher at 1.79. Manitoba is lower at 1.49. New Brunswick is at 1.64 and then the Northwest Territories are somewhat less than that. So Saskatchewan is still considerably lower . . . or considerably higher than a lot of provinces at this time.

And I was just wondering, is the board and is the minister considering raising the rates to the employers this year?

Hon. Ms. Higgins: — Mr. Chair, when the member opposite was quoting numbers from the 2001 annual report it is in fact numbers from that year, 2001. When we say that Saskatchewan has the second lowest rates of all Canadian provinces we are talking about 2002 and we are not counting in rates that are subsidized. And there is no intent to have any mid-term adjustments to the rates for 2002.

Mr. Weekes: — Well thank you. It's . . . your comments about the second lowest rates in Canada is well unclear at best. If we're looking at the 2001 annual report, you should be quoting from the 2001 annual report because that's what . . . that's the information everyone else has.

If you're talking about 2002, if you have other information about what's going to be happening in 2002, will there be a . . . will we expect a greater loss as far as operating losses in 2002 or what are you expecting for this upcoming year?

Hon. Ms. Higgins: — The member actually had . . . I guess referring to the 2001 annual report, and I was using 2002 figures. I may be a little bit ahead of you, but what I guess we'll have to do is just repeat them next year when we're doing estimates at this same time. We'll be using the 2002 figures when you're reading from the annual report. But the 2002 rates are made public in October of 2001 during stakeholder consultations and meetings leading up to January when the new rates are actually set and notice is sent out.

When you ask about the outlook for this year, we're barely into the second quarter for this year so really, until the actuarial review is done in the fall or late in the fall of this year, it's really too soon to guess.

Mr. Weekes: — Mr. Chair, I'd like to know how many

employers there are that's in WCB and also how many employees are covered by WCB in the province.

(19:30)

Hon. Ms. Higgins: — Mr. Chair, I mean we're talking rounded-off figures here, but we're talking about 400,000 employees that are covered and 32,000 employers.

Mr. Weekes: — Thank you. I understand there's been a survey done by clients of Workers' Comp just recently. Could you confirm that survey and also tell us what was in the survey and is the result of the survey going to be made public.

Hon. Ms. Higgins: — I believe I'm referencing the right survey that you were talking about, but annually WCB does a stakeholder survey that takes in both employers and injured workers. And what it does, it asks questions on service, how pleased they are, and I must . . . or how satisfied they were with the services provided by the WCB.

And there is overall and consistently a 90 per cent approval rating in these surveys. They are something that's consistent . . . done on a yearly basis. What the results of these surveys are used for, they're used for feedback in the annual stakeholder meetings.

Mr. Weekes: — Thank you. I recently had a discussion with an injured worker that's on workers' comp and was asked questions through the survey, and two days after the survey . . . well I'll just add to the discussion. She was very negative about how she was treated with workers' comp and told the representative about her concerns with workers' comp, and two days later her cheques quit coming. She was cancelled from workers' comp.

Now I'm just wondering . . . I hope and I assume that there's no relationship between her comments about workers' comp and her being denied a claim. I assume that's not the case, but I would like to ask the minister: is there any safeguards in place to stop such a thing from happening?

Hon. Ms. Higgins: — This is kind of a serious accusation. The survey is done on a random number, and it is highly confidential. There is no names used, and being it is a confidential survey, any of the responses given by a person contacted, the CSR (customer service representative) would have no idea that their client did a survey. But if this person has any questions, I would urge her to contact the board . . . him or her to contact the board and get clarification there.

Mr. Weekes: — Thank you. I'd like to ask the minister . . . I asked how many employees are covered by Workers' Comp in the last year. Could you go back . . . do you have the figures for last . . . back five years? Has the number of workers increased or decreased in the last five years that are covered by Workers' Comp?

Hon. Ms. Higgins: — When it comes to numbers of employees, basically what we do at WCB, we are using an estimate. How we keep track of this is by payroll and dollars contributed on a payroll basis. And that has gone up each year so what we're using is an estimation from those figures.

Mr. Weekes: — Sorry, I also would like to know how many employers there have been in the last five years as well. Has that increased or decreased?

Hon. Ms. Higgins: — The number of employees over the last few years has been relatively constant.

Mr. Weekes: — Employers. Employers. Do you have the numbers of how many employers there have been in the last five years?

Hon. Ms. Higgins: — Now I should correct myself. The number of employers over the last number of years has remained relatively constant at 32,000.

Mr. Weekes: — Thank you. Many injured workers that I talk to say part of their problem or their concern is they don't have enough information in the pamphlets and the literature that's given to them and to other employees that find themselves under Workers' Comp. It's very confusing to them and to many people. And I was wondering, is the board revising its written material for workers and the employers actually to make it more transparent?

Hon. Ms. Higgins: — I know the member opposite . . . I'm quite familiar with this concern because it's something that we also get in our constituency offices in Moose Jaw. And I know the board has undertaken a major project to redo brochures as they expire or the numbers need to be replenished.

What they are doing is as each pamphlet turns over it will be rewritten in a plain language so that it is easier to understand — simple English. That's one of the concerns that we have got is that they're sometimes too hard to understand and difficult to follow and the board is addressing that.

Mr. Weekes: — Mr. Chair, my next question, I'd like to speak about the client service reps. I believe that they are probably under a lot of stress — the number of claims they have to deal with — but hearing from the clients or potential clients there's many complaints about how they're treated by the client service reps. And I was just wondering, are there any steps being taken to improve that relationship between the reps and the clients?

Hon. Ms. Higgins: — Mr. Chair, over the last . . . probably year there has been a new program begun at WCB where they have a program of team-based management — case management. And one of the initial steps in this case management is there is a training program, and one of the specific issues in the training program is dealing with clients as customers and making that whole process easier.

Mr. Weekes: — Is the board going to act on the committee of review's recommendation to publish an annual schedule that sets out a table of earnings for the purposes of calculating gross earning less probable deductions, and will such a chart be easily available to injured workers?

Hon. Ms. Higgins: — For the member opposite, the commitment has been made to have that table as readily available as possible. Work is ongoing to have it on the Internet, and for those who don't have Internet access, it will be published and readily available.

Mr. Weekes: — Mr. Chair, is the board going to act on the committee of review's recommendations and issue to each claimant an explanation of how the injured worker's gross earnings were calculated and the net amount of compensation, basically a cheque stub with the deductions itemized?

Hon. Ms. Higgins: — Yes, the board has committed to that recommendation.

Mr. Weekes: — Mr. Chair, every year a number of injured workers have their conditions complicated by a physician or a surgeon's negligence, yet there still is no avenue to seek damages from the physician or the surgeon based on interpretation of the Act, and the College of Physicians and Surgeons recommends that this shield from litigation should not extend to physicians and surgeons. If a physician or a surgeon is negligent, for example, they should not be allowed to hide behind the WCB Act in which the patient is not allowed to sue. Why does the board's interpretation of the Act shield the negligence of physicians and surgeons?

(19:45)

Hon. Ms. Higgins: — The member opposite will know that from the backgrounder and information that went out with the press release when we released the committee of review, that's one recommendation that the board is doing . . . I directed the board to do further consultation on.

Mr. Weekes: — Thank you. What criteria does the board use for determining whether or not someone is eligible for vocational retraining?

Hon. Ms. Higgins: — The Act speaks to the merits and justice of each case. So when you're talking about vocational rehabilitation, each case is judged on its own merits.

Mr. Weekes: — Thank you. What financial limitations are in place for vocational retraining?

Hon. Ms. Higgins: — There is no limits or guidelines in place. As I said previously, each case is judged on its own merits.

Mr. Weekes: — Often we hear about injured workers whose benefits have been terminated for whatever reasons, and they are in the process of appealing this decision. Yet while they are undertaking the appeal, they have no income as WCB has terminated all their benefits. The committee of review also identified this problem. Since these decisions are generally not decisions that require urgent action, they could benefit from a sober second thought from a manager or the like before this decision is finalized and communicated to the injured worker. Is the board prepared to follow the recommendations of the committee of review and ensure that standard procedure before terminating compensation benefits will be . . . to have the circumstances investigated and co-signed by a manager?

Hon. Ms. Higgins: — I would like to assure the member opposite that with the new team-based case management that there will be second thought given to each decision.

Mr. Weekes: — Is the board going to introduce an independent appeals tribunal, and if so, when can injured workers expect this

to be put in place?

Hon. Ms. Higgins: — The independent appeal tribunal was recommended just about a year ago, I think, in the Dorsey administrative review.

Since then we've had the committee of review which has looked at different proposals and the merits of whether we would go to an independent appeal tribunal or an appeal commissioner. And through consensus of both business, employees, and the chairperson, they have decided that they would put forward a recommendation of an appeals commissioner.

So we are looking at options and both recommendations, and we are currently going through some consultations and expecting feedback from stakeholders towards the end of this week to see what their views on both options.

Mr. Weekes: — My next question also speaks to the other legislative changes that Mr. Dorsey recommendation asked for. And does the government plan to put forth the legislation that will allow a transition to a part-time independent representative board of directors or governors combined of labour and employers?

Hon. Ms. Higgins: — Mr. Chair, this really ties together with the previous question. It was May 2001 that the Dorsey administrative review was tabled in this House. And there was 13 recommendations, 11 of which have been implemented or in the process of being implemented and the last two that needed legislative amendments, one being the independent tribunal and the other was the movement of the board to a part-time board.

Since then the committee of review has gone through its process of consultations and stakeholder meetings. And their recommendation, after looking at both proposals or at the independent tribunal, they came forward with a consensus decision for an appeals commissioner that they felt that that was a more appropriate way to go.

That was a consensus decision and, as I said previously in the last question, we're currently undergoing stakeholder meetings and getting feedback on this and other recommendations that are outstanding.

Mr. Weekes: — Thank you. As we know, the agriculture is exempt from the labour standards, and I'd just like to ask the minister, why are they singling out the hog industry to be put under labour standards?

Hon. Ms. Higgins: — Since labour standards was initiated, family farming and farming in Saskatchewan has maintained their traditional exemption for a variety of reasons. One, that it is seasonal. It is an occupation that is outdoors and susceptible to many influences — weather, disease, to name a few.

I don't believe that we are singling out commercial hog barns; that the industry has done that by the way it has evolved away from traditional farming. Commercial hog barns are contained indoors. They're not susceptible to the weather or seasons. It's a year-round occupation. It is highly controlled, highly technical, and a very scheduled and timed industry.

So I don't believe we are singling it out.

Mr. Weekes: — During the leadership campaign for the NDP Party, the Premier said that he was going to introduce this legislation and you made an announcement some time ago at the SFL (Saskatchewan Federation of Labour) convention that it was going to be introduced.

I would just like to know how that all squares with your announcement in last year's Throne Speech to set up a labour/business round table . . . and talked in glowing terms about consultation and co-operation and not, on a very basic item like this, not discuss this with the industry, just make announcements beforehand and not even try to consult with the industry before the announcements are made.

Hon. Ms. Higgins: — The topic of labour standards covering commercial hog barns has been around for quite some time. I remember articles being in *The Western Producer* probably starting at the end of 1998. Since then there's been a variety of discussions held on the topic.

After the announcements were made and there has been consultations . . . it was announced that this was our intent. Consultations have been done and the member opposite is correct in stating that the labour/business round table has not been established. We are working through that.

But in the meantime what we did was hire a very reputable person to take on the consultation process with the producers and employees within the industry, and to give advice on how this would best be done and how it would affect the industry as a whole. So we are currently still undergoing consultations and will continue working on it.

Hon. Mr. Hagel: — Mr. Chair, as previously outlined, I now move the committee report progress on Labour and move to estimates on Agriculture, Food and Rural Revitalization.

(20:00)

**General Revenue Fund
Agriculture, Food and Rural Revitalization
Vote 1**

Subvote (AG01)

The Deputy Chair: — I recognize the minister and ask the minister to introduce his officials.

Hon. Mr. Serby: — Thank you very much, Mr. Chair. This evening I have with me . . . seated directly to my right is Mr. Gord Nystuen who is the deputy minister of Agriculture and Food. Next to him is the president . . . general manager of the Saskatchewan Crop Insurance, Mr. Doug Matthies. Directly behind me is Mr. Hal Cushon who is the assistant deputy minister of policy and financial services. And behind my deputy minister is Mr. Jack Zepp who is the director of administrative services branch, and Mr. Ross Johnson who is the budget officer who is immediately to my right two chairs over.

And on the back row, behind the bar, is Maryellen Carlson who is the acting assistant deputy minister of agriculture

development division, Louise Greenberg who is the assistant deputy minister in program and services division, Greg Haase who is the director of lands branch, and Dave Boehm who is the acting director of financial programs branch. And those are my officials, Mr. Chair.

Ms. Harpauer: — Thank you, Mr. Chair. And I welcome the minister and I welcome his officials here tonight. I have a few questions that I would like to ask on behalf of Sask Pork.

My understanding is that there is a consultation process that's underway right now and it was given the deadline of May 17 to come with a consensus as to what was going to happen as far as The Labour Standards Act being implemented or being imposed upon hog barns.

And I would like to ask the minister if he had any knowledge of how those negotiations were going.

Hon. Mr. Serby: — Mr. Chair, to the member, I want to say that I have had involvement and participation and understanding and knowledge of what's happening with the consultation process.

As the member might or might not know, we began the work on this piece I believe about three months ago. We engaged the expertise of an individual from Saskatoon by the name of Mr. Tom Halpenny. What Mr. Halpenny has done is he's met with the industry first, had a round of consultations and discussions with the industry, and then returned and reported to the ministries of Labour and Agriculture in terms of his process. So we've had an opportunity to see the work that he's been involved in.

Consistent with that process, we met with the pork industry, and the Minister of Labour and I met with representation from the large hog barn operators in the province. We met with people from Heartland — Neil Ketilson was the individual who represented their group. We met with an individual from Naicam, Saskatchewan . . . (inaudible) . . . Peter Voldeng. And also at our table . . . and then we had a third representative that we met with and also from the Sask Pork as well, Joanne . . . Joan . . . I forget her . . . She's the representative and the Chair of the Sask Pork committee.

So we met with them on one occasion. Then we asked Mr. Halpenny then to proceed to go back and have a further consultation with the industry. And it's under this process that he's currently working in completing his analysis of what the labour standards rules might look like with the industry today, and we're expecting that Mr. Halpenny would have that report for us within the next week or two.

Ms. Harpauer: — The next question would be: I realize that the government put together a committee to consult on the issue, and on that committee was three producers and supposedly three barn workers — although that didn't quite happen — and three people from government, and they were given the job of coming up with a consensus. How many times have they met to date?

Hon. Mr. Serby: — Mr. Chair, I believe they've met now twice. They may meet one more . . . or maybe three times. I'm

not exactly sure on the exact number of times that they've met, but I believe they've met twice, may have by now met on three occasions. And they would have been the joint committee, as the member indicates — labour and the management.

Ms. Harpauer: — Thank you, Mr. Minister. Could you give me the dates of those meetings because I know the Sask Pork industry, or Sask Pork isn't aware of those meetings. So could you please give me the dates that those meetings took place?

Hon. Mr. Serby: — Mr. Chair, what I'll provide for the member is the meeting dates of which the committee has been meeting. But we have, I think, it's Mr. Gerry Pfeil who's the representative of the Sask Pork. He's on the committee, so it will be through him and Joan Steckhan, whose name I couldn't remember a couple of minutes ago, and will provide those dates to you. We'll have them. We'll just contact Mr. Halpenny and he can confirm the dates of which they've met.

Ms. Harpauer: — Thank you, Mr. Minister. If perhaps it comes back that there has only been one meeting, can they call that a consultation process?

Hon. Mr. Serby: — Well if there's only been one meeting that they've held to date, then you can rest assured that there'll be more meetings, because there will be at least, as I understand, three meetings with the industry and the labour committee. So if they've only had one meeting to date you can rest assured that there will be more meetings because it's that consultation process that we had asked Mr. Halpenny to undertake with the industry and labour.

Ms. Harpauer: — Thank you, Mr. Minister. The industry has also expressed concerns as to how this would affect the family farm, and they were assured by the Minister of Labour that it would not be affecting the family farm. However could the minister please provide us with a definition of what a family farm is.

Hon. Mr. Serby: — I think, Mr. Chair, the definition of a family farm would vary across the province. I mean today you could have a group of individuals who are from the same family who might be farming a large tract of land or a small tract of land. It would be a family farm. You could have a husband and wife and they could be farming a family operation or a farm and that would be defined as a family operation. You could have today a husband and wife and a couple of cousins that might be farming a farming operation and they could be a family farm operation.

So you know you have a whole host of different kinds of descriptions I think that you might describe as family farms in Saskatchewan, and I could provide for the member opposite sort of a variety of different scenarios that would be recognized as family farms. And I'll ask my officials to put together the various kinds of combinations that could be recognized as family farms in Saskatchewan.

Ms. Harpauer: — I thank the minister for the answer. And I agree, there are many definitions of a family farm. It's extremely broad. So therefore would the minister agree that we cannot say that this will not affect the family farm?

Could we not recognize here tonight that it may affect a lot of family farms because a family farm may have a large intensive livestock or hog barn, and it may have grain fields in conjunction with the hog barn. It may have employees in the barn that may work both in the barn and in the fields. And it may involve three or four brothers, or a brother and a few cousins, and all sorts of combinations. It may be a Hutterite colony.

So could the minister recognize that we can hardly say that this is not going to affect the family farm?

Hon. Mr. Serby: — Well, Mr. Chair, I'd say to the members opposite and to the member, that when we take a look at the legislation — and we shouldn't be presuming today about what the legislation is going to look like yet because we haven't had an opportunity on this side of the House to see it either. And when we get an opportunity to see it, certainly the members opposite, the member opposite, will also get an opportunity to examine it as well.

But clearly, the consultation process is underway right now. The intent, I would expect . . . If you were asking this question of the Minister of Labour, I would say to you that the intent of the legislation is intended to address the larger corporate hog operations in the province, ones like I might describe . . . the ones that the provincial government has an investment in today, along with Mr. Possberg. That in my view would be considered a large corporate hog operation where you have 5,000 farrow-to-finish barns in a particular location of the province, where there are large, large corporate entities which employ small groups of people. It would be my view that it would be those kinds of businesses that the legislation would attempt to try to capture.

But I wouldn't presume today what that should look like. I think we need to see the work of Mr. Halpenny and the industry and the labour group. I'm anticipating that that information will be back before us within short order. And when it arrives, we'll have an opportunity to share and discuss and debate that with the members opposite, and you, Madam Member.

Ms. Harpauer: — Thank you, Mr. Minister. It wasn't the piece of legislation that I was suggesting was going to say that it won't affect the family farm. Your own minister said that it's not going to affect the family farm.

We've gone over the definition of a family farm. So the question I will ask you again: do you agree with the Minister of Labour that this piece of legislation is not going to affect the family farm, keeping in mind that the definition of a family farm is extremely broad?

Hon. Mr. Serby: — Well I think, madam member, and, Mr. Chair, to the member, you could have, and I think if the member is suggesting here that you could have a large corporate entity that could be a family farm, the fact is is that you could have a large corporate farm that could be operated and managed by a family. I mean Mr. Possberg, for example, would be, in my view, in Saskatchewan considered a family that's farming. But their farming operations are very large corporate entities, very large hog barns in Saskatchewan. They employ a variety of different people in a variety of different

locations across the province. But for all intents and purposes, one could argue that it's under the umbrella of a family.

And so from that perspective I think the member opposite, you know, makes an important recognition that you could have in Saskatchewan today, and in all likelihood do have a variety of different farmers who are farming today in the hog industry which are an extension of a family. But they're also categorized under the structure as being large corporate farms. And so I expect that when the legislation gets to the table and we have an opportunity to debate it here, that it will be recognized that it's intended only to address those large corporate entities and they may in fact be operated and managed by families.

Ms. Harpauer: — That poses another question then. Now we've sort of defined that, yes, this could affect a family farm because the definition of a family farm is so broad. But the minister brought up, okay, are we looking at an incorporated as versus a non-incorporated barn? Are we looking at a barn in one location as opposed to two or three barns located at different locations?

It's a very slippery slope where we're going to start to define who has to bring their operation under The Labour Standards Act and who does not and where do you draw that line. And if you draw that line, what then if an operation is very close to that line? It would impede their desire to expand.

So this is a province where we're talking about expansion of intensive livestock throughout the whole province and every sector, and yet we're laying down policy that that will yet again impede that expansion. So the definitions are very, very important. Is it incorporated barns versus non-incorporated barns? Is it barns in one location as opposed to barns in many locations? Is it a 600-sow barn as opposed to a 1,200-sow barn? Where are we going to start to define what follows under The Labour Standards Act and what does not?

(20:15)

Hon. Mr. Serby: — Thank you very much, Madam Member. And to you through the Chair, I want to say first and foremost that I know that you understand the various different structures in the province. In your part of the province, you and I just recently had an opportunity to open a very large and extensive hog operation at Leroy which is the Stomp farm which in my view would be categorized as a family operation, but we have a variety of different models in the province.

We have — and I'll just use a couple of the bigger ones — the Stomp operation of course could be viewed as a large, family, corporate operation.

We have the Possberg which is also a large, family operation and has its own sort of model in terms of how people invest in it and how in fact shareholders are retained and/or included in the process which they're talking about today.

And then we have hog barns in Saskatchewan which are the community pork barns which individuals in various different locations of the province can be shareholders. And I can tell you that in my part of the province, from where I come, we have a community pork barn which is within five minutes from

my farm. So you have a variety of different models today.

And it's exactly this kind of definition that you're raising with me today that needs to be determined by the working committee. It will be their task and their responsibility to define the parameters around who is included within that framework and who is excluded from that framework, and today I wouldn't be drawing a conclusion on it. I'd want to see the work of the industry and the labour and Mr. Halpenny who's leading that process. And then it's from that point that I think we would then get into discussion about describing what the language should look like and what particular models need to be included in the process.

Ms. Harpauer: — Thank you, Mr. Minister. I'm sure that the people that I know in the hog industry will be more than happy to hear that the minister has said tonight that they will be participants in coming up with those definitions because they've had the feeling today that they're going to be told what those definitions are, and they don't feel that they have been part of the consultation process with any meaning. It has been somewhat presented to them more than discussed with them. They have felt that they have been imposed upon, and they've been told that this is what it's going to look like, and they don't feel that they've been part of the process.

My next question . . . because as you mentioned earlier I have a number of intensive hog operations in my area where I live and you know am quite familiar with those operations and socialize with many of the barn workers in my area. And there is the Stomp Pork Farm in my area, there's the Sinnett Pork Farm in my area, there's Big Sky barns in my area.

And I'm not quite as familiar — I know it's in my constituency but it isn't as close — is the Quadra barns. I have never heard any complaints from any of the workers, and I know a great, great many of them, about their hours because their hours are set. They're scheduled in advance. They have quite actually . . . quite valuable medical packages and dental packages. They're treated quite well from all of these employers.

So considering that I'm socializing with this group of people on an ongoing basis and have for a number of years, I guess this particular suggestion that we need to be looking at The Labour Standards Act came as a surprise simply because I'm not finding that the workers in the industry are asking for this.

So why would we make a choice? Who would ask for this decision? And why are we making a choice to go in this direction?

Hon. Mr. Serby: — Mr. Chair, to the member. I don't think that we should assume for a minute that when we're working on establishing labour regulations within a particular industry that it necessarily spells that there's a problem. And we shouldn't assume to have this debate or this discussion in the future when we go to have it around the legislation that the reason why it's here is because it's a problem for somebody.

When you take a look at Saskatchewan, for example, and you compare our labour legislation to other provinces, you'll find that in many cases our labour legislation remains competitive and comparative to other industries.

Now in this province we're of the assumption on this side of the House that we could have and should have in the large corporate barns in Saskatchewan, labour standard regulations that will apply to people who work in the industry. And we have today people from . . . certainly from the labour community who believe that this is a healthy process in our province, to have workers today who are working in this industry protected. And I think that minimal standards today, a few labour standards are not of huge consequence.

Today for example, and I hear the member from . . . your colleague that's sitting beside you talking about intensive livestock operations. I mean today we have in the beef industry, for example, in the feedlot industry, we already have labour standards in the beef industry labour side, in the feedlots, the large feedlots in the province on some fronts. So this isn't a brand new issue for us to be debating tonight because it's already there in some fronts.

We have also . . . Particularly where they're commercially feeding, where they're commercially feeding today, Mr. Chair, we already have labour standard regulations in the beef industry. And so . . . and this isn't a new issue. We shouldn't today say that all of a sudden somebody woke up and said we should have labour standards regulations in the commercial hog barns in the province, because that's not the truth.

I mean, today we've had . . . (inaudible interjection) . . . No, absolutely not the case. Because we've had this conversation, Mr. Speaker, now . . . or, Mr. Chair, we've had this debate and this discussion in Saskatchewan now for some months — some months we've had this. In fact, it's been around for a couple of years.

And this year we proceed with the process to try to find an equitable situation with labour and the management sector. And we believe that we put a process in place today that addresses one segment of the agricultural industry, which is the commercial intensive livestock.

And it's my view, Mr. Chair, that as we move along through the process where we do have the industry included and a variety of different examples of the industry . . . We have Mr. Voldeng who in my view would be considered from Naicam, Saskatchewan, as a family farm operation today, a commercial operator. We have Mr. Ketilson, who is part of the larger hog barns operation in the province who might reflect similarity to Mr. Possberg and/or for that matter, Mr. Stomp. And we have Mr. Jerry Pfeil, who is in fact representing in my view all of the small hog producers and the hog industry in Saskatchewan.

So you have the little guy who is part of the discussion, and then you have sort of the family-operated, larger corporate entity. And we have the larger corporate farms which are owned and have been owned through the Heartland process, which are corporate entities.

So we think that we brought people together for this discussion that represent the industry in a generic fashion. And I await what the recommendations of the industry will be. But we shouldn't for a minute suggest that we don't have labour standards today that apply to the intensive livestock operation because we already have it. It is already in the beef industry

with commercially fed feedlots.

Ms. Harpauer: — Thank you, Mr. Minister. Does the minister believe that the representative that's on the consultation committee who is a labour union leader for PCS (Potash Corporation of Saskatchewan) Lanigan, does he believe that he is a representative within the industry, within the pork industry?

Hon. Mr. Serby: — Well, Mr. Chair, as you can appreciate, it's never an easy exercise when you're going to find people to sit on committees, particularly when it gives the appearance that there's going to be some controversy in the debate. And there isn't . . . without any conclusion here, that in this particular piece of consultation there will be some disagreement and there'll be some debate.

And so we were responsible to try and find representatives who would serve on both committees.

So we went to the industry and we said to the industry, who is it that you would find as being the responsible folks who could represent this debate? And so they provided us with the names of people who they have from the industry side and then we went to the labour community and said from the labour community, who is it now that we would have from the labour community who would represent the labour community? And they provided us with a list of three names from the labour community.

And so now we have this wonderful committee of men and women who are working away, Mr. Chair, trying to find the resolution to what the labour standards regulations should look like for hog barn workers in the province. And I'm awaiting that response over the next couple of weeks.

Ms. Harpauer: — Thank you, Mr. Minister. And I can sympathize that it's hard to find people to work on committees.

However, I wonder if he considered, you know, because we were talking about the labour side and if we want labour that's in the industry then we should have hog barn workers. So I wonder if it occurred to the minister that if he picked up the phone, I could probably give him a list of about 60 that I know personally in my own area of hog barn workers, and I bet you out of those he could find three that would have worked on a committee to discuss this whole process.

So with that I want to move on to a totally different topic, if I may. And it's to clarify an issue that is sort of up and coming in our province. And so the first question that I have is, when a First Nations band makes an application to the province to purchase Crown land in order to rectify a treaty land entitlement agreement, what process does the province have in place to review this application?

Hon. Mr. Serby: — Mr. Chair, I was just taking a moment to be sure that I had the process accurately described to me. What happens of course is under the framework agreement that we have today, a First Nations band can make a selection. And under that framework agreement, the province would need to look favourably to making that kind of an agreement under the framework agreement accessible to First Nations people.

And so that's the way in which the process works today. I could provide for the member, if she wishes, a copy of the framework agreement that we use under the treaty land entitlement, to be familiar with the process fully.

Ms. Harpauer: — Thank you, Mr. Minister, and I would appreciate a copy of that. That would be most helpful.

But when the First Nations band puts forward their application, what is taken into consideration by yourself or your department before you could say that yes, this land is available or to grant approval or disapproval and say, no, we need to look for a different parcel of land? What are the things that your department takes into consideration to look at?

(20:30)

Hon. Mr. Serby: — Mr. Chair, to the member, there would be a number of processes that would occur. Things like we would first of all canvass other departments to see whether or not there are any other interests.

And the definition that we were just sort of discussing here would be things like: would there be any oil and gas interests that might be available on the property; would there be any wildlife habitat of which we would want some assurances that would need to be preserved; would there be any unique topographical characteristics within the landscape; and what would be the settling of any third-party issues that might be outstanding in relationship to a particular agreement that might be held with someone else. Or finally, I think, would this be recognized where there is special habitat or habitat for a particular species within the province.

So those would be some of the things that would be given consideration if we're being asked by a First Nations group or band, if they're making a selection on a piece of Crown property.

Ms. Harpauer: — Thank you, Mr. Minister. So if there was oil or gas interests, if there was wildlife habitat or a special habitat of some sort, or a unique grassland or whatever, would it then be made not available or would it be made available with conditions that this is protected?

Hon. Mr. Serby: — Mr. Chair, usually the . . . generally the land is made available without condition, but from time to time, if some of the areas of which I identified or some of the issues would be prevalent, then when the land is being made for sale, some of those conditions may in fact be retained. But generally speaking, the land is made available without condition.

Ms. Harpauer: — Thank you, Mr. Minister. So just to further clarify this just slightly, if there had to be conditions that would then be decided by the government, by your department, so it would be the land is now for sale with this condition. That would be your choice. It would be your decision to do so?

Hon. Mr. Serby: — Mr. Chair, if we were going to allow for a selection, what would need to happen in that case is that there would have to be . . . the interests of the third parties would have to be settled, and it would be done through an open negotiation.

Ms. Harpauer: — Thank you, Mr. Minister. So if there was oil or gas interests in particular, so the oil or gas company, they would have to do the negotiations on the settlement. They would have to come up with the agreement with the First Nations band. That would be their responsibility.

Hon. Mr. Serby: — Mr. Chair, that's correct. The member has articulated correctly.

Ms. Harpauer: — In the case of a wildlife habitat situation that needs to be protected, who would do the negotiations then with the First Nations band?

Hon. Mr. Serby: — Mr. Chair, in that instance, it would be the Department of Environment.

Ms. Harpauer: — And my final question in this direction would be, if there was a third-party interest — so in other words, someone or some group of people who were leasing them the Crown land for whatever purposes — if they were in a lease at the time, would they be responsible for doing their own negotiating with the First Nations band in order to maintain their lease?

Hon. Mr. Serby: — Mr. Chair, the answer would be yes; it would be the same process as it would be with the oil and gas industry. The member is correct.

Ms. Harpauer: — If a TLE (treaty land entitlement) application is put on land that is being leased at the time, is there any effort on behalf of the provincial government to assist the First Nations band to identify an alternative parcel of land which might . . . would be in close proximity and which would be vacant or available for sale, rather than put a lessee in the throes of negotiations mid-term within their lease?

Hon. Mr. Serby: — Mr. Chair, what we would do is we would provide, and do provide, a list of all of the lands that are available under lease. And so that would be the way in which people would know which lands would be made available, or are available.

Ms. Harpauer: — Thank you, Mr. Minister. Would there be any circumstances, and what would those circumstances be, before your department would say that the land is simply not available?

Hon. Mr. Serby: — The practice, Mr. Chair, is that we make the land available and that the third parties would negotiate the agreements amongst themselves, which has been the practice in the past.

Ms. Harpauer: — Thank you, Mr. Minister. Can the land be sold to the First Nations band in order to ratify a TLE framework agreement without the permission of the third-party interest group who was leasing the land?

Hon. Mr. Serby: — Mr. Chair, to the member, they would be required to settle their third-party interests before that land would make its changeover.

Ms. Harpauer: — Thank you, Mr. Minister. In the event that an agreement cannot be reached in the mediation process

between the First Nations band and the third party, how long are the two parties required to engage in the mediation process before it is accepted that the third party cannot be satisfied and therefore the parcel of land is no longer available for a settlement on a TLE?

Hon. Mr. Serby: — I should, Mr. Chair, to the member, I should say that from time to time these can be, as I expect that the member is aware, can be very delicate and difficult situations, particularly in cases where you might have someone or a group of individuals who might have been the lessees of a particular piece of property over a period of time.

And so the expectation here would be that if in fact there has been a selection process of which . . . I expect the member is familiar with a process of this magnitude or this nature. Then what the expectation would be is that the third party would come together and, through a process in good faith, they would try to reach an understanding. If in fact through a process of utilization of good faith they cannot come to a resolution at the end of the day, then it would be the responsibility of the minister in charge of Agriculture and Food, which in this case it's me, we would be responsible for making the final decision.

Ms. Harpauer: — Mr. Minister, I don't believe I heard, at any rate, that you gave a time period to this, meaning a time period that the third party of the First Nations band would have to remain in mediation. So basically it's pending on ultimately if they cannot come to an agreement, it's ultimately your decision to make the choice.

Can a third party be bound to a mediation process indefinitely? And, although it's unlikely, could a lessee of Crown land be bound in mediation for an extended period of time of their lease?

Hon. Mr. Serby: — Mr. Chair, to the member, the selections can be made every 18 months. Now I would not encourage for there to be a long, lengthy sort of annual or year-over-year process in terms of mediation. I think that where you have a situation where there's clearly an impasse in terms of decisions about what would be a fair or good faith, we would want that mediation process to be within a reasonable time frame, and then a decision be reached after there's a demonstration that people have in fact been in a negotiation period with exercising, as I said earlier, good faith.

Ms. Harpauer: — Thank you, Mr. Minister. Sir, I believe you mentioned 18 months; the mediation process can continue for 18 months. And if there isn't a consensus met between the two parties, the lessee and the First Nations band, then is the TLE framework application, then is it no longer valid? Or does it still apply?

And then the minister at the end of 18 months has to step in and say that this is the way it's going to be. Like, ultimately it is your decision.

Hon. Mr. Serby: — We can, Mr. Chair, extend the 18-month period for a reselection. And what we have exercised, from time to time, or have exercised is the engagement of a mediation process.

As I said earlier, what would not be healthy for an exercise of this nature after there's been a selection and then a reselection again, which has been the case in one particular example, we would then encourage people to come together and try to find a resolution on an issue of this particular nature. And in this case, we would provide a mediation process that might be over a short period of time, with the hope that we would reach an agreement . . . or the third parties would reach an agreement.

Ms. Harpauer: — When any third party is leasing Crown land and that lease expires, what is the provincial policy for renewing leases? Is there a policy that's been in place for a number of years that we practise in this province?

(20:45)

Hon. Mr. Serby: — Mr. Chair, to the member, the policy as it is today is that when people are within their last five years of a particular lease and the lease is in good standing, the lessee can request that the lease be extended, within the last five years of the agreement. And that's been the practice that we've been using on our land lease renewals.

Ms. Harpauer: — Thank you, Mr. Minister. If a TLE has been filed against a parcel of land that is being leased by a third party and the third party's lease agreement is due for renewal, does the conditions of the TLE automatically supersede the long-standing provincial policy that's been in place for a number of years under the direction of the provincial land regulations?

Hon. Mr. Serby: — Mr. Chair, to the member, when . . . as I described the policy, as the member had asked what process we use today, once we're within the five-year period then the land is clearly made available for re-leasing.

In the case where you have the TLE, a treaty land entitlement, where the request is being made by a First Nations band to assume a particular piece of property which is Crown land, then within the framework agreement we would then begin our negotiations or the negotiations would then begin with First Nations people and the third party to try and resolve what the content of the framework agreement permits here.

And so in the case that I think the member is talking about, we have a process today where there's been a request by a First Nations band to select a particular piece of property in the province. What we've suggested . . . it's now been renewed or selected now for a second time. We now have a mediation process that's involved in trying to resolve that particular issue. And as I said earlier, it's our intention here to hope that the First Nations people and the co-operative will . . . or the co-op will find an amicable solution.

If that is not arrived at, then there are a couple of options of which I expect the member will ask me next, that we have the option to exercise. We have the option to exercise certainly the return of the property, to re-lease the property again with the co-op, extending the lease. We have the option of exercising the framework agreement and having the land that is currently under the lease of the co-op go to the First Nations.

Or we have the option of taking the property and listing it for

sale. And then the property would then be available for sale of which the co-op might then want to repurchase it or to purchase it or there may be a First Nations group who want to purchase the land. Or in fact it may be purchased from someone else within the province. And who knows? If we get to our piece of legislation as it relates to the farmland security Act, it may be purchased by somebody from outside the province.

So those are other options that would be exercised at that point.

Ms. Harpauer: — Thank you, Mr. Minister. Mr. Minister, would the government ever consider renewing a lease agreement with a third party if there was a TLE applied against the land in question and the third party would not give written permission for the land to be sold because an agreement could not be made between the third party and the First Nations band that satisfied the third party? So is there ever a condition where they could apply and would be granted a renewal of their lease under those conditions?

Hon. Mr. Serby: — Mr. Chair, to the member, if we were to find ourselves in a situation like you've described, which in fact we find ourselves in a situation like you've described, it will be necessary for us to work through the mediation process that's in place today. Our wish would be that there would be a resolution that could be arrived at between the third parties involved.

If they cannot arrive at a resolution, then it will be important or necessary then for the ministry to exercise the three options of which I've already outlined and you've asked. The options are to renew the lease with the current leaseholders, or in fact to allow for the selection that's been made by the First Nations, and then provide that piece of property to them with the appropriate kinds of settlements that would need to be made for the third party because there'll be investments of a variety of different nature that would have been made on the property. And those investments would need to be recovered by the co-op, or the province has the option of then suggesting that the land would be placed for sale, of which then anyone who wishes would be available to purchase the property.

Ms. Harpauer: — Thank you, Mr. Minister. And my question would be . . . You've said that there's these three choices that you would have. What would you be more likely to prefer? What would be your preference? What's the more likely choice that you will make? Because the question was: would you ever consider renewing a lease agreement with a third party if an agreement hadn't been made? Would you lean more towards ratifying the TLE?

Hon. Mr. Serby: — Mr. Chair, what my preferred option would be is that the parties that are involved in that discussion would, at the end of the day, find a resolution on their own. If they're not able to find a resolution through the mediatory process, then of course I would be expected to make a decision based on the three options that I provided. And as you can recognize, none of those options would be easy because if you were to provide the lease of the property again to the people who might have had it for a long period of time, you're going to find one party, the other party, who will be very unhappy with that decision.

If you're prepared to . . . if we were prepared to provide the

selection process to the First Nations band, clearly it would make the people who had had the co-op over a period of time, or who are lessees of the land, most unhappy. And clearly if you were to take the land and then put it for sale, you would have a bidding exercise that would occur with a variety of different people, and at the end of the day the property might in fact turn hands to somebody who isn't even a resident of the area. He might be from another part of the province who might then decide to use the land for some other purpose or may decide to use it for grazing for themselves.

And at the end of the day, I expect that you would not make a whole bunch of people happy irrespective of which decision you make. So the best option, in my view, would be to try to find a negotiated settlement amongst the parties that are involved in that process, and that's my hope.

Ms. Harpauer: — Thank you, Mr. Minister. I guess what I'm trying to understand is that we often talk about process, and this seems to be lacking in process because we're not looking at the what if. What if the process doesn't work? What if there isn't an agreement at the end of the day?

So then it's left for a one-person decision. And we could speculate that if either party didn't want it to work, if that the First Nations band could come to the negotiation table not offering a fair deal, realizing that the lease would expire fairly shortly and then the land would become vacant, and that way then they would be able to step in and have the land. They wouldn't have to contend with having anyone leasing the land, and they would have the infrastructure that was on the land.

So can the minister understand where maybe this process is a little bit flawed because the lessee has to basically agree with what the First Nations proposals are, or they're going to lose the land?

Hon. Mr. Serby: — Well I think, as the member will recognize, that in Saskatchewan we have a process today in terms of selection and renewal of Crown land. Now this is why we have engaged in situations that are as delicate as the one we're talking about today — a mediation process.

And at the end of the day, if I'm asked because there hasn't been an ability to resolve the issue when it comes back to my table, then clearly I'll be examining these kinds of things. I'll want to know whether or not the people who were involved in the negotiation processes were actually negotiating in good faith. And that's why we have engaged a third party and in most cases would engage a third party to provide us with that kind of information because, as you can appreciate and understand, there will be a great deal of emotion in this kind of debate.

From time to time there are things that get said that I think people would wish they might not have said. And so at the end of the day, it will be for us to measure the weight of the sincerity that people were involved in the process of deciding whether or not the negotiations are favourable or not to a transaction of either renewal or selection.

And so I guess at the end of the day, I'll be looking for the recommendation of the mediator in the situation that I think we're both familiar with. But my hope is that the third parties

will be able to reach a reasonable conclusion on their own with the help of the mediator.

Hon. Mr. Hagel: — Mr. Chair, I move the committee report progress, some significant progress, on Department of Agriculture, Food, and Rural Revitalization. And then we'll move to estimates on the Environment.

(21:00)

**General Revenue Fund
Environment
Vote 26**

Subvote (ER01)

The Deputy Chair: — I'll invite the minister to introduce her officials.

Hon. Ms. Lorjé: — Thank you very much, Mr. Chair. I would like to introduce the officials I have here with me this evening. Members will already be familiar with Mr. Terry Scott, the deputy minister of Environment; Mr. Dave Phillips, assistant deputy minister of operations in Environment; Mr. Bob Ruggles, also assistant deputy minister in charge of programs; Mr. Rick Bates, director of communications services; Ms. Donna Johnson, acting executive director of corporate services. Those are the officials seated right around me.

We also have other Environment officials attending this evening, depending on the questions that are asked: Mr. Ron Zukowsky, executive director of policy and assessment; Mr. Don MacAuley, director of parks and special places; Mr. Ross Barclay, manager, program development unit of the sustainable land management; Joe Muldoon, director of environmental protection; Dale Hjertaas, manager of science and policy from the fish and wildlife branch; and Dave Tulloch, senior financial manager of the fire management and forest protection branch.

Mr. Kwiatkowski: — Thank you, Mr. Chair. Good evening, Madam Minister, and welcome to your officials.

Madam Minister, I have a couple of questions on a particular topic that I think I'll spend a few minutes on, and then after that I have a number of colleagues who will be interested in pursuing some other areas with you as well.

Madam Minister, could you indicate if your department has ever commissioned a study into the broad area of safety within the department and as it relates particularly to conservation officers and their duties?

Hon. Ms. Lorjé: — Mr. Chair, I would like to advise the member from Carrot River that we have, in recent memory, undertaken three specific studies . . . or commissioned three specific studies.

In 1988, we asked Dr. Garry Bell to do a study into safety practices in the department as it relates to enforcement duties by conservation officers. Again in 1996 we commissioned a similar study, also undertaken by Dr. Garry Bell. And then just this past year, we asked the law enforcement branch of the Department of Justice to also do a study on enforcement duties.

That study — which I think is probably the one that you are most particularly interested in since it is the most recent — the study time took place between August and December of 2001.

Mr. Kwiatkowski: — Thank you, Mr. Chair. Madam Minister, could you indicate if all three studies were made public?

Hon. Ms. Lorjé: — There is so much fun and frivolity going on here tonight. I would think that everybody is really enjoying themselves as we're dealing with the Environment estimates.

So let me give the member from Carrot River the answer to his question, and I apologize for taking a bit of time on this but I wanted to make sure that I had all the specific details.

You asked whether or not these studies have been made public. And I would advise you that no they have not; they were all internal to the department. They were all dealing with recommending changes to administrative practices and policies regarding conservation officers. None of these, not one of these three studies, were FOI (freedom of information) or subject to freedom of information request. But, quite frankly, we would have no reason not to make them public. We have shared those studies with conservation officers and with the Occupational Health and Safety Committee.

Of course you will understand that the last study, since it was just undertaken just a few months ago, has not been fully shared with everyone, but we have no reason not to make them public. They were reviews of the administrative policies and procedures with respect to conservation officers and obviously, they deal in a fairly substantive way with public policy in the province of Saskatchewan.

Mr. Kwiatkowski: — Thank you, Mr. Chair, and Madam Minister. Would you be prepared then to make the first two, the 1988 and the 1996 study available to the official opposition immediately and make the 2001 study available as quickly as is logically possible?

Hon. Ms. Lorjé: — Of course. As I've already indicated, we have no reason not to share those studies with you.

Mr. Kwiatkowski: — Okay. Thank you, Mr. Chair, and Madam Minister. I look forward to receiving them and I will now allow my colleague from Estevan a few minutes.

Ms. Eagles: — Thank you, Mr. Chair. Madam Minister, I too would like to welcome your officials here this evening and I just have a couple questions for you. I understand that the village of Colgate is under a boil-water advisory and I was wondering if you could enlighten us to what is happening in regards to that?

Hon. Ms. Lorjé: — If you'll just bear with me for a moment I want to look it up because I think we have some 49 villages or hamlets under precautionary drinking water advisories, so I want to get the specific reasons for it.

I would like to advise the member from Estevan that the Colgate precautionary drinking water advisory — it's not a boil-water order, but it's an advisory — is due to high turbidity in the treated water.

And I'm imaging that you're probably going to ask me some follow-up questions as to what that might mean or what that indicates, so if you don't mind I'll just carry on and give you the answer. There's a potential when there's high turbidity in water that there could be high bacteriological content or protozoan content — the cryptosporidium that we're already familiar with. I want to emphasize that's only a potential. We have not found a problem to date.

So that's why there's an advisory only, but we take a very cautious approach to drinking water, as you can imagine quite rightly we should. We don't want to take any chances, and so because of the high turbidity, we've issued the precautionary drinking water advisory for the town of Colgate. That occurred some time, I believe, in the last week or so, and it will remain in effect until we are satisfied that the turbidity is within the proper ranges.

Ms. Eagles: — Thank you, Madam Minister. Mr. Chair, to the minister, I'm going to go to the other end of the scale now, and I'm going to talk a little bit about sewage. And I would just like to know what happens to someone that has been caught dumping sewage illegally. And when I say caught, I mean the officials in the local environment department are aware of it. And I was just wondering what should happen to people when they are caught dumping sewage illegally.

(21:15)

Hon. Ms. Lorjé: — I would like to give you a complete answer. Unfortunately it really does depend on the circumstances of the spill or the illegal dumping. So certainly in certain circumstances there could be charges laid. But if you could give me more specific detail, then I can answer your question more fully.

Ms. Eagles: — Thank you, Madam Minister. I'll give you a little more detail.

I had the manager of a sewage treatment plant phone me and he was telling me about how in a part of the city businesses have holding tanks for their own sewage disposal. Now the people at the sewage plant where this sewage is hauled keep track of who is hauling through their billing system. Now one company apparently was hauling six to seven loads of sewage per month and these loads are of 3,000 gallons each, and all of a sudden they weren't hauling anything which leads you to the question, where is it going?

So to make a long story short, whoever was hauling this sewage was dumping it in a ditch. And they were seen doing it and samples were gathered and tested, and this material was so contaminated that it was off the range of the instrument that is used to test these things. And I'm not an engineer but the gentleman told me that the sewage is given a COD test or a chemical oxygen demand test and he said the average for sewage is 600 millilitres per litre. Now this sample was above the 80,000 millilitre per litre that the testing device will measure.

Now the spill hotline in Regina was contacted and the environmental officer in the area is aware of this, and Environment Canada was also notified. But according to the

gentleman that called me, nothing ever came of this case short of the people that were guilty of hauling this stuff and dumping it in the ditch, they quit doing it when they realized people were aware of what was going on.

So you know . . . I would just, you know, like some answers to you . . . from you as to why didn't the environment people, the local environment people bring it to your attention or do something about it so that this practice wouldn't continue. Because I mean as you can be aware, if they're doing in broad daylight and being caught, nothing is stopping them from doing it in the dark hours.

Hon. Ms. Lorjé: — In response to the member from Estevan, the details as you are describing them sound very serious to me. So obviously, I would want more, even more detail in order to be able to investigate it in a fuller manner. I don't have, unfortunately, the officials with me this evening that could answer the specifics of who answered what and follow up and so forth.

So if we could perhaps meet outside of the session and you could give me the detail, I can assure you that we will indeed follow this up in a very aggressive and very timely manner.

Ms. Eagles: — Thank you, Madam Minister. And I will give you the names of the parties involved, and I would like a commitment from you that you would give it your fullest attention.

Hon. Ms. Lorjé: — You certainly do have that commitment. We are, after all, the Department of Environment and I would like to point out that there is a great deal of public sensitivity and awareness about all aspects of the water chain. So we will definitely follow up on this in a very serious way and we will get back to you as quickly as possible. But I think that before we go much further on this, it's important for me to get more details so that we can do an adequate and comprehensive investigation.

Mr. Brkich: — Thank you, Mr. Chairman. Madam Minister, I have a few questions that were posed to me by my constituents dealing with the Last Mountain Lake deal there that was in the paper and the news. So I thought I'd bring them here because I couldn't answer them when they were posed to me, and I had quite a few calls on it.

First question, I guess. When the city of Regina dumps fluent, treated sewage . . . or sewer . . . or water into the water system, a creek, do they have to apply to SERM (Saskatchewan Environment and Resource Management) for a permit?

Hon. Ms. Lorjé: — The city of Regina, as I've tried to indicate last week, and I will say again, the city of Regina has a very complete sewage treatment system. They have not simply primary sewage treatment. And I won't get into the specifics of what that is. But that's the basic stuff.

They have primary sewage treatment, then they have secondary sewage treatment which is one ladder up. And then they also have tertiary treatment. So it's sort of in sewage treatment jargon. That's the gold standard that the city of Regina has. The city of Regina cannot operate its sewage treatment plant without

a permit from the Department of Environment and we have very stringent operating criteria and conditions and they meet them.

Mr. Brkich: — Thank you, Madam Minister. I understand setting up the plant you would have a permit, but I was asking with the water, once it's gone through their system — and I know they have a very good system — when that water . . . because not all systems, not from all cities, go into creeks or lakes. Some of them have set up irrigation systems, use their own.

But when that water is moved into a system, do they have to apply for another permit to let you know that they're moving it into the waterways?

Hon. Ms. Lorjé: — The city of Regina, by virtue of their operating permit, has continual discharge. I know that some municipalities, some towns, hold the treated effluent in lagoons for some time or they use it for irrigation. That's not the case with respect to the city of Regina. They have continual discharge.

But it is important to note that they do testing on a daily basis, five times a week, to test what the bacteriological content is of that treated effluent, and they do meet the standards that are required for their operating permit.

Mr. Brkich: — Thank you, Madam Minister. In the wintertime, does it break down . . . is the water a little higher that's being treated coming out? I noticed in one of your . . . under question period you said there was one spike in February you said that you were . . . that was the only monitoring testing. But over the long haul, is it higher in the winter than in the summer when you do the day-to-day tests? Does it break down as easy when it's moving out of the continuous flow into the creeks, the treated water?

Hon. Ms. Lorjé: — I would like to advise the member of two things. First of all, in the House last week when I said there was a spike in February, I was in error, and I was actually rather hoping that you would ask me a further question about it.

In the rush to answer your questions, I confused briefings, and I was talking about something else where there had been a spike in something. And really what happened in February was we were unable to do the bacteriological testing, so there were no test results for February. But I do want to assure you that except for this rather unusual circumstance for the one month, we do, do regular routine testing as does the city of Regina on their treated effluent.

The other thing that you should be aware of is that because we know that people like to use the water in the lakes, the two lakes in question, for recreational use, and the city of Regina does treat its effluent and treats it to a gold-quality standard, then it discharges it into the Wascana Creek. From the Wascana Creek it goes into the Qu'Appelle River, and from the Qu'Appelle River it is dispersed. Depending on how we control the water structure at Craven, it's dispersed into Last Mountain Lake or further down the Qu'Appelle system and into Fishing Lakes.

But because there are a high number of recreation users in the summer time, we require that the city of Regina does additional treatment of their sewage in the summertime, and so we require that they do ultraviolet disinfection and additional nutrient removal as well.

Mr. Brkich: — Madam Minister. They do the extra treating in the summer. The winter like this, one would understand that there was probably more that was released into Last Mountain Lake going underneath the ice. Can you do that extra treating in the wintertime, or can it only be done in the summer?

(21:30)

Hon. Ms. Lorjé: — I'd like to advise the member from Arm River that just as bears hibernate in the winter, and just as things seem to slow down for humans a lot in the wintertime . . . I mean, we don't move around as much and certainly we don't go swimming in the wintertime — it's pretty hard to swim in frozen water — but also too do bacteria behave differently in cold weather as compared to warmer weather. And so the coliform growth in winter is extremely slow.

So you have a different biological activity in the water in the wintertime compared to the summertime. And that's why in the summertime, when we know that people will be wanting to swim, we know that they'll be wanting to get out in the boats and fish and so forth, that's when we require the additional ultraviolet treatment on the bacteria — or on the treated effluent, rather.

But there are two different processes happening in the winter and in the summertime. So that basically is the answer to your question.

Mr. Brkich: — Thank you, Madam Minister. My question is, lake also . . . the lake may not be swam in in the winter, but there are people ice fishing and eating fish out of there, so they are just as concerned as they are with the summertime.

My question is, is the water safe in the winter?

I'm trying to follow you there a bit. I know the bacteria and it's colder, maybe . . . the lakes also don't move as much because there's also the ice on the lakes, so there isn't much movement underneath in the water. So do you have more effluent water maybe staying at one end of the lake that may be getting moved around more? Have you found when you're doing treatments . . . I'd like some more, basically some more information because what I'm doing right now is asking questions that were asked to me by my constituents right now. I've had very numerous calls on this, so I'm trying to find out some information on this whole deal so I can answer them.

Hon. Ms. Lorjé: — And I fully understand that. You're fishing for answers here, okay. Well I want to try to give them to you as completely as I can.

I think the concern that you're expressing and that's being expressed to you by your constituents is, is it safe to go ice fishing and to eat the fish that we pull out through the ice? And is it safe to fish in the summertime too?

And I want to tell you categorically fish do not accumulate bacteria. It's water in and water out. So, if people are concerned that the fish are going to be growing the coliform bacteria that you are concerned about, they need not have any concern about that. The bacteria do not accumulate in fish.

We do do testing though on the fish in that lake because obviously we're concerned about the potential for mercury pollution, for instance. So we test regularly for mercury because we would not want people to be eating fish that are highly contaminated with mercury. But in terms of the coliform bacteria, people need not worry at all about eating the fish.

Mr. Brkich: — Madam Minister, you'd mentioned there that the cottage owners were worried about the low levels. When was water started to be diverted into Last Mountain Lake to start to build it up?

When there was concerns about . . . Like, last year the lake was low. When did you basically open the dam to let water start flowing in or allow Sask Water the permit to allow water to go in there?

Hon. Ms. Lorjé: — I want to thank the member opposite for the questions because, quite frankly, I think there is a potential for people being concerned or alarmed as a result of the CBC (Canadian Broadcasting Corporation) tests.

And it's important for you to know and for your constituents to know that the CBC tests, if they were testing treated drinking water and there were 17 coliform bacteria in it, we would be very concerned because our standard is zero coliform bacteria in treated water.

Our standard for contact recreational water — that's swimming around in it — is 200 coliform bacteria per 100 millilitre. And the standard for non-contact recreational use — boating and so forth — is 5,000.

So the CBC tests clearly show that the water is safe for contact recreational uses. Indeed, it's not only safe; it's very safe when the standard is 200 and what we've got is 17 on their worst case test. So I really want to emphasize that point, that the water is safe.

The water quality in Last Mountain Lake is very, very good and it definitely meets the recreational standards that we've set. And I would hope that you will be able to reassure your constituents, cottage owners, any one who is fussed about those CBC test results that the water is safe. Of course it's not treated water so, as I said in the House last week, you would not want to be drinking it. But it safe to be going swimming and so forth.

Now your specific question right now was about water diversion. Now I could easily say that's not my department but I'm not going to do that. You are aware though of course that it is the Saskatchewan Water Corporation that does the water diversion. It's not the Department of Environment.

But that water diversion, that water diversion for this last year started in April of 2001. Now water diversion into Last Mountain Lake, into and out of Last Mountain Lake, because I know that people last week were making the point that Last

Mountain Lake is a closed system and saying, oh dear, there's this potential for all this bacteria going into the lake and then it's just going to keep building up. It's important that you assure your constituents that we also do release water from Last Mountain Lake out as well as in. Okay?

But we have been doing that or Saskatchewan Water Corporation has been doing that for so many years that my officials can't even advise me when it was first started, but it's likely been going on for 40 years, at least. It's been going on as long as that dam has been present at Craven, that water structure at Craven. Indeed the water structure at Craven is so old that we're looking at replacing it pretty soon. So for probably about the last 40 years there has been water diversion from the Qu'Appelle River into Last Mountain Lake.

Now the majority of the water that flows into the Qu'Appelle River comes from Lake Diefenbaker. It comes from Lake Diefenbaker, goes down through Buffalo Pound, the cities of Regina and Moose Jaw draw out water to treat for their drinking water, for their citizens, then it continues down that chain into the Qu'Appelle River. At the same time there's water that flows from Wascana Creek into the Qu'Appelle River.

So about 86 per cent of the water that flows into the Qu'Appelle River, which can then at Craven flow either into Last Mountain Lake or down into the Fishing Lakes, 86 per cent of that water comes from Lake Diefenbaker. So that's water that is drawn off for the city of Regina and Moose Jaw to treat for drinking water.

The remaining 14 per cent comes the from Wascana Creek. Now some of that water is the treated effluent from the city of Regina and then the rest of the water is the naturally occurring water in the Wascana Creek. So I can't give you an estimate. I can't break it down litre by litre.

But it is important to note that the city of Regina has gold quality sewage treatment. Okay? Means it meets really top notch standards, okay. And they do constant testing.

So this diversion that the CBC discovered — I think they called it the dirty little secret, if I remember correctly — this dirty little secret is something that has been going on for decades. There is nothing unusual except this one thing. Last year we had in Saskatchewan probably the driest year on record for all of the time that we've been keeping records in Saskatchewan on precipitation and so forth.

So obviously the level of Last Mountain Lake fell quite a bit. Now we have a long-standing agreement and arrangement with the users of Last Mountain Lake to try to keep the level of the lake up so that it can be properly used for recreational purposes. Last Mountain Lake is . . . it's got a very odd structure and the inflow of Last Mountain Lake is actually very low, and if we didn't have this control structure at Craven probably we'd have a lake at certain points that's only three feet deep. Now that's not very good for recreational purposes.

So there's been this water management going on for years and years. The only difference is last year, because the lake level was so low, instead of stopping the water diversion in say September or so forth, because the lake level was so low we

kept the water diversion going on throughout the winter. So the water diversion continued throughout the winter.

Now because of . . . I know last week you were talking about chunks in the water. Now it was wonderful rhetoric and it certainly grabbed the public's attention but I have to inform you that the chunks you're talking about are mud, not crud. That mud is created by the hydraulic action of the water flowing into Last Mountain Lake, but it's mud being churned up, mud and algae being churned up on the bottom of the lake, and it's exacerbated because it's happening during the winter.

So the situation, this dirty little secret that CBC supposedly uncovered, while it might get lots of people tuning to their radio station, I think also had the very unfortunate effect of unnecessarily alarming people. I want you to be assured . . . reassured that we are . . . we do constantly test.

We are very mindful of the concerns of people that they want to have good quality drinking water. They want to have good quality recreational water. And so as the Department of Environment we take those concerns very seriously and we do monitor this lake and other lakes in Saskatchewan for the water quality.

Mr. Brkich: — Madam Minister, thank you for answering the question about Sask Water. The reason I ask that, and at least another question, because there is affluent water going into that system. I kind of thought that Sask Water . . . does they let you know of all the water — because all systems, some systems there is no affluent water being put into them but this system there is — is there a kind of a policy that when water is diverted to a lake that normally didn't have the affluent water in that system and some of that water all of a sudden goes in this lake or in that creek, do they let SERM know about it?

And also one of the other questions is, you'd mentioned that lake when it was tested was 17 millimetres and that was safe. And what the gold standard — you always talk about the gold standard — when you treat it, when you test when it comes right out of the plant, the water treatment plant, what is the test of that? Did you have that broken down?

Hon. Ms. Lorjé: — I'm going to try to answer your question because it's . . . I understand the motivation and the impetus for asking the question and I do want you to have some degree of comfort in my answers.

First of all, I want to say you seem to be making this out to be a highly unusual case. You have to understand that everyone is downstream from someone. That's just in the nature of the way water flows.

You also have to understand that coliform bacteria is in every surface water in the world. Coliform bacteria is a naturally occurring bacteria and every lake has coliform bacteria in it. We know that. What we do as a department is we set objectives for what level we consider to be safe and reasonable for various kinds of uses. As I've said already, for water that people are going to drink, treated drinking water, our level is zero coliform bacteria. For water that people are going to be swimming in, we set an objective of 200 coliform bacteria. We also set standards for the sewage treatment so that by the time that treated effluent

reaches a body of water where people will be using it for contact recreational purposes, that it meets those objectives.

Now you asked, did Sask Water consult with us about their water diversions and what they were doing? The answer is, no they didn't because quite frankly their job is to administer the flows of the water and the level of the water. Our job is to administer the standards, the water objectives.

So we are constantly monitoring — as is the city of Regina which is required by their permit to operate the sewage treatment plant — we're constantly monitoring the coliform levels in the water both in the sewage, then in the treated effluent, then at various points in the Wascana Creek, and so forth down the line till we get to, in this instance, Last Mountain Lake where we also monitor on a regular basis to make sure that the coliform bacteria is not at a level that is unsafe for the specific use that that particular water body might be being put to.

So I just want to assure you that by the time water, whether it comes from Lake Diefenbaker or treated effluent from the city of Regina or from Wascana Creek or Qu'Appelle River, by the time water enters Last Mountain Lake it is well within the surface water objectives for contact recreational use.

As I said last week in the House, and I will say again, it is safe for people to swim in that lake. And if, as a result of our testing, we determined that the coliform level was too high, was over the 200 per 100 millilitre, we would definitely be issuing a warning to people to tell them not to swim in the lake. But it is safe for people to swim in Last Mountain Lake.

It's safe for them to go out in their boat, to take fish — as long as they bought a fishing licence, I want to emphasize that — if they buy the fishing licence, they can take those fish, take them home and fry them and eat them with complete comfort with respect to the coliform bacteria because, as I said, fish do not accumulate coliform bacteria.

Mr. Brkich: — Two parts of that question was the answer to the first part. The second part was when you test it when it comes right out of Regina's water treatment plant what is the hundreds per coliform of that? Is it under the 200 standard? And what do you call a gold standard? You said there was a couple centres but you said they had the gold standard. Is there a level per parts of millilitre that you consider a gold standard, and when you test it, what comes out of Regina's plant before it hits the creek, before it hits Last Mountain Lake, what is at the base, what's the test right there?

Hon. Ms. Lorjé: — You've asked a fairly complex and complicated question. And I'm asked to keep my answer short, so I'm going to try.

You have to be aware that it varies from month to month and it varies depending on the time of the year and so forth. I can give you some numbers, for instance, dealing with fecal coliform only because I think that's what people are concerned about.

Last June the treated effluent leaving the City of Regina sewage treatment plant was 52. Bearing in mind that for, if somebody was going to go swimming in that, the standard is 200 coliform

per millilitre; it was 52 at that point. When it got to Lumsden it was 72. That's a bit unusual, because what usually happens is the fecal coliform count drops as it goes down the Wascana Creek, the Qu'Appelle River, and then into Last Mountain Lake.

In July it was 3; in August it was 2; in September it shot up to 358. Okay, so you would obviously not want to go swimming in that.

But by the time it gets into Last Mountain Lake, which is really I believe the real question you were asking is: what's the level of the fecal coliform bacteria when it gets to Last Mountain Lake where people are going to be swimming. And it is always, in our testing, it meets the surface water quality non-contact recreational objectives of 200 millilitres — 200 bacteria per millilitre. So again I want to emphasize it's safe to swim in that lake.

The committee reported progress.

The Assembly adjourned at 22:02