



STANDING COMMITTEE ON ECONOMY

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**STANDING COMMITTEE ON ECONOMY
2004**

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Ms. Doreen Hamilton
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Hon. Deb Higgins
Moose Jaw Wakamow

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

Mr. Kevin Yates
Regina Dewdney

The committee met at 15:00.

The Chair: — We could call the meeting to order and we could begin. This afternoon we have before us the Department of Labour, but I have no minister at this time.

Hon. Ms. Higgins: — You started without me?

The Chair: — We did. We're sorry. All right. I think we're, I think we're organized now so, as I indicated, the estimates before us today are the Department of Labour. So if we could, I'd like to begin by welcoming Minister Higgins and her officials. And if you could introduce your officials for us and then we could entertain a speaking order and proceed with the estimates.

**General Revenue Fund
Labour
Vote 20**

Subvote (LA01)

Hon. Ms. Higgins: — Thank you very much, Mr. Chair. Immediately after I introduce the officials, I would like to make a few brief comments about the department. But first off, I would like to introduce, to my right, Bill Craik, the deputy minister of Labour, and to my left is Jim Nicol, the assistant deputy minister. Also seated behind, we have Corinne Bokitch, the executive director of the Status of Women office; we have Eric Greene, the executive director of labour standards; also John Boyd, executive director of planning and policy; Marg Halifax, director of the Office of the Worker's Advocate; Glennis Bihun, manager of OH&S (occupational health and safety) partnerships; and Kevin Kuntz, manager of budget and operations.

And also from the Workers' Compensation Board we have Peter Federko, chief executive officer, and Gail Kruger, vice-president of prevention, finance and information technology. And from the Labour Relations Board we have Melanie Baldwin, who is a registrar.

Mr. Chair, the vision of the Department of Labour is a prosperous Saskatchewan that benefits from healthy workplaces and the equality of women. The world of work has enormous impact on all of us individually and as a society. Fair and balanced labour legislation contributes to both growth in the economy and the quality of life of Saskatchewan people. In the face of shifting demographics, new technologies, and global influences, our challenge is to ensure that our workplaces are healthy, safe, fair, family-friendly, and co-operative.

Women, Mr. Chair, are capable of playing a major role in the economic, political, cultural, and social development of this province. Indeed, women are entering the workforce attaining higher levels of education and establishing themselves in fields traditionally reserved for men in greater numbers than ever before. But barriers still exist. Barriers such as the wage gap between men and women, harassment and violence, and the responsibilities of balancing work and family. It is only by addressing these issues that our society will fully benefit from all that women have to offer.

I would like today to highlight just a few of the initiatives of the department and things that we'll be working on in this coming year. It's fitting that today's meeting is taking place during North American Occupational Safety and Health Week. Fitting because this year's budget reflects our renewed commitment to healthy and safe workplaces. The Action Plan for Healthy and Safe Workplaces released in September 2003 provides a comprehensive approach to achieving a 20 per cent reduction in time loss injuries over the next four years.

The action plan includes strategies to help workplaces take responsibility for workplace health and safety, to provide education and enforcement of workplace standards, to provide health and safety technical support and applied research, to protect new and young workers, and to increase public awareness of the need for workplace health and safety.

One important element in the prevention of occupation injuries and illnesses is up-to-date standards. Over the course of this year, the occupational health and safety division will be assisting the provincial Occupational Health and Safety Council in a review of the Act and of the regulations.

The unfortunate reality is that workers do get injured. The Office of the Worker's Advocate was established to assist claimants, and/or their dependants, who wish to appeal a decision of the Workers' Compensation Board. In recent years, a substantial backlog of cases has developed. The office has worked hard over this past year to reduce that backlog with a great deal of success. During the coming year, those efforts will continue.

Just as it's important for our workplaces to be healthy and safe, it too is important that they be fair. Earlier this year the labour standards branch worked closely with Canadian Restaurant and Foodservices Association to develop an information kit. The kit, which contains 13 fact sheets on topics ranging from annual and public holidays to work schedules and rest periods, is designed to help employers understand their obligations and rights under The Labour Standards Act. Over the course of the next few months, the kits will be distributed to the majority of the restaurant and food service outlets here in Saskatchewan.

Fair workplaces are also about workers' rights. That's why the labour standards branch has set up the compliance review unit. The unit will investigate anonymous and third-party complaints where there is evidence to suggest non-compliance with the Act. The unit will only act where the complainant provides evidence of non-compliance.

I think most of us have faced the dilemma of making a choice between our work lives and our family lives. Balancing the sometimes competing needs of employees' work and family responsibilities is important, both to the employees themselves and to their employers.

For employees, work life . . . poor work/life balance can intensify stress and fatigue. For their employers, the financial and productivity costs are real. That's why the working family unit has been working in partnership with stakeholders to develop a model for a provincial incentive award for employers to promote work and family balance. It's called the provincial

Family-Friendly Workplace Award, and it will be the first of its kind in Canada.

I would like to conclude my remarks, Mr. Chair, by speaking about the Status of Women office. Last fall we released the Action Plan for Saskatchewan Women, the result of government and the women's community working together to identify and respond to the priority concerns of women, their children and families. And it is a demonstration of our government's commitment to address women's equality issues here in Saskatchewan. When you consolidate all the programs and services that address women's issues and concerns from all government departments and Crown corporations, it's evident that the needs of women, children and families are a priority for this government.

But we must remember the Action Plan for Saskatchewan Women is a work-in-progress. And each year the Status of Women office will monitor and report on the progress government has made towards the goals outlined in the Action Plan for Saskatchewan Women.

In addition, the Status of Women office will be providing support and training for government officials in gender-based analysis, which will assist in applying a gender lens to legislation, policy and program development; providing cross-government policy coordination on women's issues, and support for pay equity. And supporting an interdepartmental committee of advisors on women's policy throughout government and the commercial Crowns.

This is an innovative approach for a government to take; innovative because it integrates issues affecting women into the mainstream of government decision-making and because it puts responsibility for addressing women's issues inside of each government organization.

Mr. Chair, as I mentioned earlier these are just a few of the initiatives that our department will be undertaking this year. And I'm looking forward to answering questions from members of the committee about estimates of the Saskatchewan Department of Labour.

The Chair: — Thank you very much, Madam Minister. To members of the committee, the Labour estimates are found on page 104 of the Estimates book, and the first item up for discussion is Administration (LA01) in the amount of \$1,000,100 . . . okay, \$1,001,000 . . . we'll get it right. Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair. Minister, I certainly was listening to your opening remarks and certainly have to agree that workplace safety is an issue that this province needs to deal with. When we look at the injury rate, we have along with Manitoba, have one of . . . have the dubious honour of having the highest injury rate in the country. And we certainly need to do more. And particularly this week being national occupational health and safety week, I think it's important that, you know, this issue is addressed and that we continue to keep the issue of workplace safety foremost throughout the year.

There's a number of things that I would like to discuss today, and I'm sure we will have an opportunity in the future to return to Labour estimates and deal with some of the issues that we

don't get around with to discuss today.

Perhaps the first thing I would like to raise with you, Minister, is last time that this committee met we were dealing with the estimates of Industry and Labour . . . and Resources, sorry. And the mandate of that department in part is to expand the Saskatchewan economy.

And while I was sitting and listening . . . looking at the estimates for Industry and Resources and reading their mandate, I flipped over to the Labour department's mandate and it says in one of the . . . well the first thing or the mandate is to ensure a safe and fair and productive workplace, which is certainly a laudable mandate.

But I was just wondering, in your view and in your government's view, does the Department of Labour have a role, and if so, what role would you see your department playing in helping Industry and Resources achieve their mandate to expand the economy because . . . And the reason I ask that question is I think it's important to all citizens and residents of this province to have an expanding and growing economy because it does a number of things. It provides employment opportunities for the working men and women of this province; it provides government with resources to do the things government needs to do, one of them, you know, ensuring a safe workplace.

So I would appreciate hearing your comments on that question, Madam Minister.

Hon. Ms. Higgins: — Thank you very much. Now you've actually touched on quite a number of issues. When you look at what the Department of Labour's role is, quite often we are viewed as a regulator where we set and maintain the regulations and the standards for — minimum workplace standards — right across the province and in all sectors of the province.

But you also look at some of the other areas that we do a great deal of work in, and one of those was what you first touched on, was occupational health and safety and the need that we have in this province to maintain safe and healthy workplaces. I mean, we can get into the injury rates and the numbers that we have in this province, and I'm sure that we will a little farther along in estimates, but maintaining consistent standards throughout the province and making sure that we have safe and healthy workplaces is important, not only for the working people in Saskatchewan but also for employers.

And this is where I feel that the regulations that we have contained within our department and within the various units are important not only just to Industry and Resources but to all departments, if not all sectors, across the province.

Maintaining a level playing field is one part of it, but also a bigger issue is that we all have to realize that safe and healthy workplaces affect the bottom line of each and every business. You will have more loyal, more productive, I mean employees within that workplace, and it does directly affect your bottom line — whether it's in training costs, whether it's in recruitment costs. The more accidents that we can prevent, employers will see a better bottom line. And I think that is really the biggest piece of all of this.

Mr. Hart: — Madam Minister, I certainly don't disagree with you. I mean it's in everyone's interest, including the employer, and in particular and most importantly the employee or the injured . . . those workers who are injured or could be injured in the workplace. And certainly we must never lose sight of that fact.

And I guess the rationale for my question and so on, it's not to place . . . or lessen the importance of workplace safety and occupational health and safety and WCB (Workers' Compensation Board) and all those sorts of things, all those issues, and labour standards and all those things that your department deals with.

I guess the point I would like to make is that we certainly need all those, all the services that your department provides. But I guess what we need also to look at is how does that affect the competitiveness of Saskatchewan? And don't get me wrong. I'm not saying that we should sacrifice worker safety or labour standards or any of those, those issues in the name of competitiveness. But I think we should be aware of it; I guess that's what I would like to say.

And because I think back to my economics 102 class that I took at the University of Saskatchewan more years than I'd like to remember. And the basic elements of any industry . . . And I suppose if we want to look at our province in terms of an industry, and that's maybe not the best way of looking at it, is you have the resources to work with is land, labour, and I think nowadays we would say human resources and capital. Those are the three integral parts of an economy. And as such, the Department of Labour is the, as you said, is the regulator and it provides policy in that area.

And I'm just . . . I guess my question to you is, when you and your officials are looking at the services and regulatory activities that you do engage in, are you cognizant of the fact that your actions will have an impact on the growth of our economy?

And as I indicated earlier, a growing and expanding economy I think is in the best interests of everyone. And can you find that balance where you need to look after those areas that you need . . . that you're tasked with, and also yet not be a damper or a hindrance to growth in an expanding economy?

Hon. Ms. Higgins: — One of the things that we always do is check interprovincial comparisons on any issue that we're dealing with to see where we fit in the big picture right across Canada, and trying not to be prohibitive on any advancements in whatever the area, but to maintain the best workforce that we can and workplaces that we can here in Saskatchewan, and what's needed within this province because although we're all, we are all Canadian provinces, there are differences. And if anyone has travelled from BC (British Columbia) to Newfoundland, there are differences throughout the provinces.

I guess one of the things that we do also is that we firmly believe that educating is one of the best tools that we have, whether it's in occupational health and safety or labour standards. That is one of the best ways that we can achieve success in this area, and it's something that we have consistently worked on over a number of years.

But what I would say to you is, if there are certain areas that are of concern to you, something more specific, I would appreciate it if you brought it up because it's easier to deal with some of these issues on specifics.

But I would say to you to go back to the chartered accountants' reports that were released on Saskatchewan — which gave an independent view of our province as a place to work, live, invest — and some of the comments that were made about workers in Saskatchewan having some of the highest loyalty rates, having some of the highest productivity. It speaks well for the workforce here in Saskatchewan. I don't think Saskatchewan holds a second fiddle to anyone when it comes to the quality and the skills of our workforce. In fact you can get, I mean, casual comments from people outside of Saskatchewan that talk about preference being given to Saskatchewan workers because of the reputation that we bring with us as being skilled, knowledgeable, dedicated employees, hardworking. I mean, those are all traits that run throughout Saskatchewan.

I don't believe that the regulations that are in place are a detriment to this province. I believe they benefit workers, and they benefit the province, and they benefit employers.

Mr. Hart: — Thank you, Minister, for those comments. There are a number, one or two areas where I have received complaints and concerns from individuals, both employees and employers. And we may get to them later today, or else we certainly will be raising those issues in another session of Labour estimates.

And I was certainly pleased to hear your comment that you think the standards that we have in place in this province are in the best interests of employees and employers, because I think it is a balance, that we need to have those — both the employers and the employees — feel that they are being treated fairly. And also I was pleased to hear your comments that you and your officials do look at what's happening outside our provincial boundaries and see how we stack up in comparison to other provinces and jurisdictions that we, that we need to compete, I guess because we do live in a competitive world, and so therefore we have to . . . we can't be too far out of line with other jurisdictions.

I just have a couple of questions dealing with the estimates for your department, and I may touch on one or two of them now, and some of my colleagues have some questions. So we may just move around a bit here this afternoon and cover a number of topics and then perhaps zero in on one or two later on as time moves on.

I notice in this year's budget that you have an increase of full-time equivalent staff in your department of about 4.5 full-time equivalents. I wonder if you could explain the need for an increase in staff and what those new positions, or new . . . what type of duties will they be performing and where they will be directed.

Hon. Ms. Higgins: — As I made comments in my opening statement, one of the big focuses that the Department of Labour has over the next few years is occupational health and safety.

In September 2003 we released an action plan on occupational

health and safety with a focus to education, again to providing technical support and information for employers. We are focusing on inspections through our occupational health and safety officers. And this is where the new positions were added.

There is six new occupational health and safety officers that have been hired within the department plus a radiologist and an ergonomist . . . (inaudible interjection) . . . ergonomist. I knew I was going to say that wrong . . . and an ergonomist. Anyway, so those positions are where we are putting focus so that we can increase workplace inspections in specific areas — in areas where there is repeat offenders and sectors that are considered high risk. We will be focusing on those areas, and this is part of the big picture and part of kind of a concerted effort to bring down injury rates in workplaces in Saskatchewan.

So what we've done is some realigning of some positions — moving some vacancies, moving some positions — for a total number of 4.5 of an increase, but we actually have put more FTEs (full-time equivalents) into the occupational health and safety division.

Mr. Hart: — Minister, could you give us some indication as to what sectors of our economy and what industries, I guess, are the ones that where we have the higher rates of injury. I mean if we have an average of 4.8 per 100 workers, we certainly . . . I mean, I'm sure there are some sectors and some workplaces that have very few injuries and other ones would have very high, and they would . . . I guess your rate structure reflects that as far as the WCB rate structure.

But have we seen an increase in any particular sector over . . . in the last year or two that is driving that rate up or at least keeping it up? Like, how do you explain that Manitoba and Saskatchewan have the worst record in the country?

Hon. Ms. Higgins: — While we can get into specifics of where the worst sectors are or where the best sectors are, some that are the most improved, some that are repeat offenders, one thing I would say to you is that the types of injuries have changed over the years. Whereas now we are getting more into soft tissue injuries, quite often . . . or previously it used to be more hands, eyes.

But as we have seen, the improvements in occupational health and safety and the improvement of education and stations in workplaces — where safety goggles are there, where WHMIS (workplace hazardous materials information system) notes are kept — I mean workers have become more and more aware of the issues in the workplace that require special precautions or special equipment in many instances. But what we've seen is a change in the types of injuries. I think more and more frequent now are soft tissue injuries, which brings in a different dimension of the diagnostics and the treatment and the length of treatment. So the types of injuries have changed also.

Mr. Hart: — Are we in Saskatchewan recognizing certain types of injuries that perhaps aren't being recognized in other provinces? Or are the types of injuries, workplace injuries that we cover as far as workmen's compensation and those sorts of things, are they pretty well standard with what's happening in other provinces? Or are we recognizing and covering more types of injuries that perhaps some other jurisdictions aren't?

Hon. Ms. Higgins: — I believe that the injuries that are recognized are standard right across the country, but each case, I would say to you, is judged on its own merits. So there is specific attention that's paid to individual cases because they are judged on their own merits.

Mr. Hart: — Thank you, Minister. As I'd said earlier, because this is our first session, we will move around a bit and cover a number of areas, and then in future sessions in estimates we will come back to some of these topics.

Minister, how many public sector contracts will be expiring this year? I have been told that we will have some 38 contracts expire this year. Is that number correct, or do you have another number? And what would you define as public sector contracts? I guess I'd like your definition on that.

Hon. Ms. Higgins: — Public sector contracts — you're accurate — there is 37 or 38 that were up as of March 31 of this year.

Mr. Hart: — Okay. That leads me to another question then. In vote 7 of your department, labour relations and mediation, we see actually a decrease in the amount of money budgeted to that vote — from 585 last year to 510,000 this year. And the description under vote 7 says your labour relations and mediation:

Provides conciliation and mediation services to assist employers and unions in resolving disputes arising out of . . . collective bargaining process . . .

I guess the question is, if we have that number of contracts that will have or have expired, do you . . . And particularly in view of the fact that we have had some of our leaders in the labour — Sask Federation of Labour to name one, and so on — who have said that they felt they played an integral role in helping, helping your government to get re-elected and they feel that, you know, now it's payback time. I mean, I believe Mr. Hubich made that public comment. Do you think . . . First of all I guess the first question is, have you made any estimates as to how many of these contracts will result in a strike?

And so maybe I'll just have you answer that question first, and then I might have a follow-up question.

Hon. Ms. Higgins: — While the . . . I guess a bit of information on the labour relations and mediation. As of April 21 the division was working . . . It can't be April — April, May. Yes, I guess April, end of April, last month. Gee, I forgot what month it was, sorry. The division was working on 49 different employer-worker situations. That was for labour relations and mediation. So there is a variety of things they work on outside of the public sector and within the public sector.

But I guess the question you asked, I would say to you that this government believes in the collective bargaining process. It is something that we have stood by time and again. And I would not even guess, to go with the question you asked, because many decisions are made at tables. You have no idea what happens at the table until you are actually in a collective bargaining position. And those situations we will work through over this spring and into the summer, I'm sure. And we will see

how each table goes. But I wouldn't be so bold as to try and guess what the outcomes would be before the tables are established or for . . . or before the people that are involved have got together and begun their discussions.

Mr. Hart: — Minister, would you agree that because of the large number of contract negotiations that are either taking place or will take place and a number of consultations and discussions and meetings that are happening as you'd indicated, that your department will probably . . . the services of your department as far as mediation and so on, there'll be a greater demand for the services this year than in other years? And if . . . at least that's my assessment. And then my question would be then, so then why would you budget less in that particular vote if . . .

Hon. Ms. Higgins: — This is really a historical level for labour relations and mediation. We are consistent with the FTEs that we have had previously. And where you're looking at the change in budget, we had a vacancy last year that has since been filled, so . . .

Mr. Hart: — I'm sorry, could you repeat the last part . . .

Hon. Ms. Higgins: — We had a vacancy last year that was filled with a temporary contract, and we have since filled that position on a permanent basis. So that's . . . the change in budget that you see was the vacancy that was now filled.

Mr. Hart: — Okay. I guess just a question. As we all know, I guess it was very public that the electrical workers with SaskPower that are currently in negotiations, they . . . there was a conciliator that was provided to help that process along. I guess my question is, is it your department that would pay for that individual, or does SaskPower pay for it? Or like obviously the individual coming from British Columbia isn't coming out of the goodness of his heart, and I've had a number of people ask me actually who's paying for this individual's services.

Hon. Ms. Higgins: — My understanding is when . . . there's different processes that happen at many times. There are times when the Department of Labour, labour relations and mediation will get a request for help in a certain area, whether a mediator or a conciliator. We did not receive a request for a conciliator in this case. So while I can't be positive, I would assume that the costs are covered by the parties involved.

Mr. Hart: — So what you are saying then as far as . . . Your understanding of the situation is that SaskPower and the union would share in the cost?

Hon. Ms. Higgins: — Well what I am saying to you is that the Department of Labour is not involved in this mediation.

Mr. Hart: — Okay, okay. Thank you. Minister, you introduced your deputy minister, and I read the news release April 16 that Mr. Craik was . . . His appointment took effect just very recently, last week, April 26. And I'd like to certainly welcome, welcome him here today. I see that Mr. Craik is a Saskatchewan native and has a law degree in the University of Saskatchewan.

I wonder if, Minister, if you or Mr. Craik himself, would like to just give us a brief history of his involvement in labour law and

in the whole labour area as far as qualifications for . . . you know, to hold the position. I certainly don't ask this question with any malice intended or anything. It's just to get a sense of the qualifications of the officials we have working for us in this province.

Mr. Craik: — After graduating from the College of Law in 1975 I articulated with Culinar and Bobier in Saskatoon. In 1976 I joined the labour law firm of Golden, Martaylor and Tallis and conducted essentially a trial practice, which was, amongst other things, labour administrative law for quite a few years.

In 1989 we merged — what was then the firm of Goldenberg, Holisted, Craik and Walters — we merged that firm with the law firm of Mitchell Ching, which was also a labour firm. And so I merged some of the labour work that I did with that firm.

And I can't say that I did labour law exclusively throughout those years, but I did do a lot of litigation work. I did do work for some management situations and some union site situations which is relatively unique amongst labour lawyers. It's normally one or the other. I did do both. In addition, I did, you know, other areas of litigation and dispute resolution work.

For most of the '90s, from about 1991 until I left the practice of law in 1999, my main client in the labour world was the University of Saskatchewan Faculty Association. In addition we did have . . . We had a relationship with the steelworkers that were . . . that unionized our employees at the law firm. So we had constant relationship with the trade union in our workplace and I did mostly, I said, faculty association, some other management work as well throughout that time.

In 1999 I left Saskatoon and took a job as ADM (assistant deputy minister) of legal and regulatory services in the Department of Justice in the Yukon. Now in the Yukon, in addition to having justice and corrections at that time, labour and consumer and corporate affairs was also part of that department. So I was involved with some work with under . . . with many hats, with those functions.

About January 1, 2002 I became deputy minister of Justice in the Yukon, and labour was still part of that department but only for the first three months. Now in that — so in that role as deputy minister of Justice, it's a small government, small bureaucracy — you work at many levels including a DM (deputy minister) level, an ADM level, and on weekends you work as director of policy sometimes. And so you have, you do definitely have the obligation of running a department in many facets, but you also do hands-on work. I think it's, you know, prepared me fairly well for the complex world of Saskatchewan labour.

Mr. Hart: — Well thank you, Mr. Craik, for those comments and I . . . certainly pleased to hear your broad range of experience and so on, and I'm sure . . . look forward to working with your minister and yourself in the labour area.

Mr. Chair, I believe my colleague, Ms. Draude, has some comments for the minister at this time.

The Chair: — Ms. Draude, you have the floor.

Ms. Draude: — Mr. Chair, and minister and to your officials, welcome. Thank you. I really appreciate the background you just gave me on the new deputy minister and I understand that you're from the Yukon and I believe our previous DM was also from the Yukon. Is that correct?

Hon. Ms. Higgins: — No. Northwest Territories.

Ms. Draude: — I'm wondering, the previous minister or deputy minister was there for how long?

Hon. Ms. Higgins: — Approximately 17 months.

Ms. Draude: — And can you explain to me what kind of job search is entailed to hire a deputy minister?

Hon. Ms. Higgins: — How about I will turn that over to the ADM. Jim Nicol will handle that one.

Mr. Nicol: — Thank you. I can tell you from past . . . Oh, sorry. I can tell you from past experience that competitions for deputy ministers are handled by the office of the deputy minister to the Premier in his or her capacity as head of the public service, and so the competition for the deputy minister of Labour, both with Ms. Tanner's hiring and with Mr. Craik's, was handled by the office of the DM to the Premier.

Ms. Draude: — So just a coincidence is that both came from the North, I guess. Madam Minister, can you tell me what kind of a severance package was the former deputy minister given?

Hon. Ms. Higgins: — I don't have details of the package right now, but what I can tell you is that it is a package that is based on common law. There is a consideration for age, years of service, level of responsibility, and some other factors that are thrown in. But I can get information back to you.

Ms. Draude: — Can you give me an idea, just a ballpark figure?

Hon. Ms. Higgins: — I actually wasn't involved in it. So I know the factors that were dealt with, but it also is handled through a different department than the Department of Labour, so . . .

Ms. Draude: — Does your department keep track of the costs for moving, for example Ms. Tanner's moving expenses or . . .

Hon. Ms. Higgins: — For when she was first hired and moved to Saskatchewan?

Ms. Draude: — That's correct.

Hon. Ms. Higgins: — That was last year. It would have been in estimates last year.

Ms. Draude: — Do you have it?

Hon. Ms. Higgins: — Just under \$40,000.

Ms. Draude: — To move from the Northwest Territories. And what's the . . . and was she allowed a cost for moving to take on the next position that she's got right now?

Hon. Ms. Higgins: — As far as I know, Ms. Tanner is still residing in Regina. And that would, I would assume, be part of what was given consideration for in the package that she was given, but that I don't have the details.

Ms. Draude: — Can you give me the details of the cost for . . . I believe there is further education costs and personal development costs for Ms. Tanner during the 17 months that she was deputy minister here.

Hon. Ms. Higgins: — What I have is a total for travel and it . . . Actually the only . . . it would have been personal development, would have been a deputy ministers' school that was held in Ottawa. But it also included a CAALL (Canadian Association of Administrators of Labour Legislation) meeting which is the deputy ministers of Labour. It's an organization that works on policy and issues across Canada. And travel for both of those and costs was \$1,857.

Ms. Draude: — So I understood that . . . I appreciate that and I guess I'll be looking forward to hearing what the severance package is as quickly as you can.

So on top of the wage, we have the moving expenses and the severance package and this person was only able to stay with us for 17 months. And now we've got another wage . . . we've got another employee on top of it.

Can you give me an idea of why? What's happening in the department that people are leaving and this kind of cost is involved?

Hon. Ms. Higgins: — Well, I must say to you, I mean there's always changes and we had our previous deputy minister that took another job to be closer to family. So we did a search for a new deputy minister. You always through the hiring process look at credentials and do the interviews and all that that entails, looking for a fit for the department and for the requirements that there are within the department. Some . . . I guess I don't mean to sound flippant about this, but I mean some work, some don't. Some feel that it isn't a career choice that they maybe want to take; some are not a good fit and changes are made.

It is something . . . I guess when you're dealing with human beings there is always variables and also issues that will arise and circumstances that will change. Nothing is for certain when we are either elected or hired at a job. You always look for the best fit and you always look for people that you feel will remain with you. But that's not always the circumstance.

Ms. Draude: — Did the deputy minister feel that there was other avenues that were . . . would be more acceptable to her, or was it the department making the decision?

Hon. Ms. Higgins: — If you're asking me what the previous deputy minister felt I can't answer that.

Ms. Draude: — Did she quit?

Hon. Ms. Higgins: — But it was mutually agreed on that she would move on to other things.

Ms. Draude: — Okay. You talked about the search process and

I understand that it's done by . . . not by your department. But is the costing for the search process paid for by the Department of Labour or by various departments, or is that all taken over . . . is that paid for in the big picture?

Hon. Ms. Higgins: — Being the hiring and the search are all done by Executive Council, the costs would be all associated with Executive Council. The only costs that would come back to the Department of Labour would be costs for interviews that may arise.

Ms. Draude: — So what were the costs for interviews?

Hon. Ms. Higgins: — Are you looking for what may be covered in costs — would be mileage or travel that a person may have to come to do an interview here?

Ms. Draude: — No.

Hon. Ms. Higgins: — Or are you looking for the actually dollar value of what was spent on interviews?

Ms. Draude: — I'm looking for the actual dollar value.

Hon. Ms. Higgins: — Okay. For total numbers it would be best to refer that to Executive Council. Some comes back to us; some doesn't. So most of that would be handled through Mr. Perrins's office.

Ms. Draude: — Madam Minister, maybe I misunderstood. You told me the only costs that would be borne by your department would be the cost of the interview. So I'm just wondering what that cost is.

Hon. Ms. Higgins: — Well are you referring to costs previously for Ms. Tanner or new?

Ms. Draude: — Yes, we'll start with that one, yes.

Hon. Ms. Higgins: — Okay. Then you're going back 17 months and that's information that we would have to get for you because I only have the 2002-03 information here . . . three, four; three, four we're in.

Ms. Draude: — Okay, Madam Minister, that's great then. We'll just talk . . . We'll discuss that next time.

Maybe you can give me an idea. I have a couple of questions on the Status of Women, and I understand that there was a conference not too long ago. Can you tell me what the cost of that conference was?

Hon. Ms. Higgins: — It was April 7 was the second annual forum put on by the Status of Women office. What it does is bring together women's organizations and community-based organizations from across the province to discuss . . . This was how our action plan was developed was in one of these forums. Much of the discussion took place at the forum.

And through the Status of Women office we have made the commitment that we will hold yearly forums because it's a very good opportunity for community-based organizations and women's organizations to get together to discuss issues that are

relevant to them, the day-to-day things that they deal with.

Direct cost to the Status of Women office for the April 7 forum was approximately \$5,000. Now being it hasn't been that long, we're giving you an approximate figure.

Ms. Draude: — Thank you, Madam Minister. Some of the women's group that talked to me, we understand that your . . . that office actually deals with different issues than it would in the office perhaps in British Columbia, for example. But some of the issues that women deal with on a day-to-day basis are things like women in business and some of the concerns they have, women that will require transition homes, and women that have addictions problems.

Are any of these issues ever brought up in your conferences?

Hon. Ms. Higgins: — If you have an opportunity to attend the forum, there is quite a cross-section of women's organizations and community groups that are represented at the forum. Covering both . . . I mean, the transition houses, women in northern Saskatchewan, business and professional women, and all of those groups and the ideas they have and the concerns they have and the issues that are close to them and their organizations were all part of the information that was used to develop the action plan.

While it may be worded in more global terms or more general terms, there are many issues in there that deal with professional women, business women. There are issues with the transition house. It covers right across the scope of women's organizations and women's issues in the province. And that was one of the goals that we had. We wanted this document to be a benchmark for women's issues right across the province. And we feel that we have done a very good job and accomplished a great deal with the action plan and its release.

Ms. Draude: — Thank you, Madam Minister. I have had the opportunity to attend the forum — not this year's but two years ago I did. And some of the things that the women have talked to me about is the fact that child care, homelessness, Native issues, women in the North and right across Saskatchewan that are Aboriginal have specific issues that they really don't have any place to go to. And because the department is, is like you said, talking more globally, there isn't any place for them to go and get a direct answer about direct questions.

So overall maybe the people that put on the conference feel like there was . . . it was a great success. But I think the people that really need help from this government can't get it by attending these kind of forums. So I think that it's something that has to be looked at in a way that we can get to the real meat and potato issues that are affecting women in the province.

Madam Minister, I think my colleague from . . . (inaudible interjection) . . . Last Mountain-Touchwood.

Hon. Ms. Higgins: — Can I just make a bit of a response to that? When the Women's Secretariat was reorganized and moved into the Department of Labour as a unit within the Department of Labour, we organized the way that this government delivers services and reacts to the concerns and reacts upon the concerns of women throughout this province.

It has taken a great deal of work by many people to establish a structure that we feel is much more appropriate within government, because previously women's issues were dealt with in a silo, as many government organizations used to operate. The Department of Labour stood alone. The Department of Industry and Resources stood alone.

And just by the questions of the other members of the committee, government does not operate that way any more. More and more we are turning to dealing with issues across government. And you will see projects and programs that have multiple signing of ministers, multiple departments that are working on those issues. And women's issues is one of the big areas where this has proven to be a fact.

So with the restructuring of the Women's Secretariat moving to the Status of Women office, one of the advantages has been the establishment of senior policy advisers within every government department and Crown corporation right across the Government of Saskatchewan. And what that has done and what we are continuing to work to achieve on an even higher scale is that the gender-based analysis and the advice of the senior policy . . . women's policy advisers within each department have input into programs and direction in the early stages so that we are not having programs come out of a department and then we're saying, oh well what about the women? How does this affect the women in Saskatchewan and the concerns that they have? We are looking to have early access to programming and input on the gender-based issues at the initial stages of programming.

So what this does, it gives . . . The Status of Women office is still the main contact point for women's organizations and women's groups across Saskatchewan. This is their contact to government. But we have a system and a network that branches out through government and provides advice on women's policy and issues — whether it's in housing, whether it's in Community Resources, Industry and Resources, in the Crown corporations, in all departments — because women's issues are issues of life. They are issues of children. They are issues of family, and they spread right across the scope of government.

The establishment of the Status of Women office with the senior policy advisors addresses many of the things that you talked about. Maintaining the forum so that women have a contact they are familiar with, the contact into government through the Status of Women office is important. And that's always also carried on through the executive director meeting throughout the year with the women's organizations and myself. We travel and make sure that we are making connections with women's groups throughout the province.

It is important, and the forum is also a good place. It's a forum; I mean, it's exactly what it says. It's a forum for these women to make the connections to each other. It's a forum for the women's organizations and the women's group to make the connection to government and have a better understanding of the policy advisors and the work that they do within the departments, and does give them a connect to those departments and to the day-to-day work that's being done that is important to Saskatchewan women right across the province.

Ms. Draude: — Just one follow-up question, Madam Minister.

Can you tell me what percentage of your deputy ministers, assistant deputy ministers, directors, and executive directors are women?

Hon. Ms. Higgins: — Oh, gosh, not off the top of my head. Are you talking just within the Department of Labour?

Ms. Draude: — Well I was going to start with the Department of Labour.

Hon. Ms. Higgins: — Now we have everyone counting here. Now I could give you a quick answer and say not enough, but I'm assuming you are looking for something more precise.

Ms. Draude: — That would have been the right answer. Your department can get back to me on that.

Hon. Ms. Higgins: — Sure. We will.

Ms. Draude: — Thank you.

The Chair: — Thank you. I have Mr. Merriman and Mr. Yates on the list, and Mr. Hart. Mr. Merriman.

Mr. Merriman: — Thank you very much, Mr. Chairman. Thank you for your comments, Minister, on the women's group. I don't really have a question on that other than a short statement to say that I hope that these forums and presentations are open to all women, and it's not something that's only for those that are affordable.

Getting back to my original question at the beginning, in looking at the structure of your organization, you have very good input to you from a lot of various agencies. But what I didn't see on there, and I wanted to ask the question, do you have a business advisory group that you meet with on these on a regular basis?

Hon. Ms. Higgins: — The business groups that we meet with on a regular basis?

Mr. Merriman: — No, you have . . . I'm asking you . . .

Hon. Ms. Higgins: — I'm sorry.

Mr. Merriman: — As part of your group, do you have a business advisory group that's advising you?

Hon. Ms. Higgins: — Of all of the boards and groups that are structured throughout the Department of Labour, there is always equal representation on all of them from business groups and workers, either organized or unorganized. But we have equal representation, whether it's the Occupational Health and Safety Council, whether it's the Labour Relations Board, whether it's adjudicators or mediators, whatever it is. All of the boards are structured to be equal representation from both business and workers.

Mr. Merriman: — Great. Thank you for that answer.

My colleague had asked a question earlier, and I don't really think we got the answer . . . which was, with the amount of injuries by group. You kind of cursored over that and talked

about soft injury issues, but you didn't get into specifics as to what segments are the ones that — sorry to get you to pull that out again — that are most identifiable as the ones that would need the most supervision, if you will, or changes.

Hon. Ms. Higgins: — The top five industry codes with injuries are health authorities, hospitals, care homes; construction trades — residential, commercial, and industrial; grocery, department store, hardware, and wholesale chain stores; hostels, independent services, restaurants, and hotels and motels. And . . .

Mr. Merriman: — That's classified as one group?

Hon. Ms. Higgins: — That's all one group. And automotive implement sales and service and automotive service shops are also one group.

Mr. Merriman: — Thank you.

Hon. Ms. Higgins: — Okay.

Mr. Merriman: — I have one question on your occupational health . . . I have several questions, but on the one where you said . . . I'm only going to go with the radiologists because I too can't pronounce the other one. But you'll have to explain to me why we need a radiologist.

Hon. Ms. Higgins: — The department doesn't . . . well we also . . . we do a number of tests on . . . Well we do all of the testing on X-ray machines throughout the province, whether it be dental or hospital. Also we deal with the mines in the North. Mine inspection is done, radiologists with the uranium mines in the North. So it's surprising; there is a number of . . .

Mr. Merriman: — Are you talking, like a technician?

Hon. Ms. Higgins: — Yes, I'm not sure what you mean by technician. But to me . . .

Mr. Merriman: — Well you said they're looking at the equipment around the province and that sort of thing.

Hon. Ms. Higgins: — See, we do that testing here at the department where there is specific testing for X-ray machines and radiation in that areas, but also within the mining industry and the uranium mining in the North. The Department of Labour, with the mines regulations, does the testing in the North on mines, whether it's levels of radiation and . . . We're going to start getting technical here, and I'm going to have to hand this off to somebody else.

Mr. Merriman: — That's okay. You're doing all right. Just give me the general view and all.

Hon. Ms. Higgins: — I mean they're quite technical jobs and making sure that the radiation . . .

Mr. Merriman: — And we have one for the province?

Hon. Ms. Higgins: — No, no. We just hired another one. Two with master's degrees in physics.

Mr. Merriman: — Well I wasn't questioning their credentials.

Hon. Ms. Higgins: — No. No.

Mr. Merriman: — I was just questioning what they're doing and what the criteria is for them based on the fact that being radiologists, I was thinking more that they're X-raying people versus . . .

Hon. Ms. Higgins: — No, oh no.

Mr. Merriman: — So these are strictly in the industrial sector, that they're looking at mines. Well that was the question I asked.

Hon. Ms. Higgins: — X-ray equipment plus laser equipment which is expanding, I'm told. And I mean, the regulation and to make sure it's up to standard and that it's working properly, and the radiation levels are within safe limits.

Mr. Merriman: — Now we're getting back into technicians.

Hon. Ms. Higgins: — Well you're into technician, but you're also into the mine regulations. And I apologize; I'm actually mixing both here.

Mr. Merriman: — So we have two radiologists that are checking mines, checking equipment across the province.

Hon. Ms. Higgins: — Just to clarify a wee bit, when we are talking about checking X-ray equipment, often that is done with a testing kit is my understanding. We're getting technical here.

Mr. Merriman: — Okay I'll ask the question, and then somebody can get to back to me with the answer I'm after, okay.

Hon. Ms. Higgins: — Okay.

Mr. Merriman: — First of all, if we have two radiologists who are going out and checking mine sites for radioactive materials or leaks or this type of thing, that I understand.

If we have two radiologists that are checking X-ray type equipment in hospitals and in other sectors, I can't understand why that can't be done by the private sector, why it has to be done through this sector. I mean if the machine's bought from Kodak or whoever it's bought from, they obviously have technicians on-site, on staff, and within the province that I think could handle that.

That's my question, and I don't need an answer right now but if you could at your convenience.

Hon. Ms. Higgins: — Okay.

Mr. Merriman: — When we talked about these — and I'll just go with the first six sectors that you gave me, Minister, on the most serious industries or the most amount of injuries — we had made a statement that we hired six officers. You know, when I hear officers, I think of two things. One, they're either executive or a policeman. I mean, what are officers that we hired in occupational health and safety? What are those six

officers' duties and functions?

Hon. Ms. Higgins: — Occupational health and safety officers are actually . . . it covers a wide variety of roles that they play. They will be inspectors in worksites. If there is a complaint that comes in, an OHO — occupational health officer — will go out and check the site for whatever the complaint or concern that was expressed. They will also work on enforcement if the regulations are not being followed.

They are also educators in many cases where they will go out and do presentations, whether with workers or worksites about the regulations, about the issues that may be prevalent in that worksite. So they really can cover a wide scope of jobs and roles that they play.

Mr. Merriman: — So are they more on the educational side or more on the enforcement side? I mean, it sounds to me like we almost got, you know, a ticketing thing here that's going out to become a revenue generator which concerns me greatly here.

Hon. Ms. Higgins: — I guess what would happen is that . . . It's not a revenue generator by any means. But what they are doing, I would say in a majority of cases, are checking situations that are in workplaces for compliance with the regulations that are there. And they are also educating . . .

Mr. Merriman: — Yes, I agree with that.

Hon. Ms. Higgins: — . . . and bringing out information out to the work site for what's required in those work sites.

And also quite often they can be almost a consultant to bring forward options and advice on what may be a more appropriate way to deal with safety issues in the work site.

Mr. Merriman: — Okay. Based on that we had . . . These are six new . . . Do we have previous ones or is this a brand new venue?

Hon. Ms. Higgins: — Oh gosh, no.

Mr. Merriman: — So this is in addition to how many?

Hon. Ms. Higgins: — There was previously 31 and there is now 37 inspectors.

Mr. Merriman: — Okay, thank you. Of these six new officers, are they going to be assigned to the sixth highest categories that we have as a first mandate?

Hon. Ms. Higgins: — How they're being designated — the new staff — is three for health care, one into the petroleum industry, one into agriculture, one in legal, and then the radiologist and the ergonomist.

Mr. Merriman: — One's going to a radiologist?

Hon. Ms. Higgins: — One will be a radiologist to deal with . . . That is one of the new hires, is a radiologist.

Mr. Merriman: — Okay, so one of the officers is a radiologist in addition to . . .

Hon. Ms. Higgins: — There's six officers . . . Well there's six officers and then a radiologist and an ergonomist.

Mr. Merriman: — Okay. We'll just skip that one because neither one of us knows the word.

Hon. Ms. Higgins: — Okay.

Mr. Merriman: — So we really have seven then is what we're talking about.

Hon. Ms. Higgins: — We really have eight.

Mr. Merriman: — Plus two, we have eight.

Hon. Ms. Higgins: — We have eight.

Mr. Merriman: — Okay, I got you. Thank you. What surprises me here is that of the three new ones, we're going into sectors that are . . . weren't given as the top six sectors.

Hon. Ms. Higgins: — Agriculture is an area where we do a fair bit of work. And it is not as regulated because many of the work sites will be producer-run operations. When you're . . . We also have the Farm Safety Council and it does a great deal of work in those rural areas of Saskatchewan because farming is one of the highest accident rates because it is in a very unique circumstance in that your home and your work site are one and the same, and that in many cases it is a family operation where you will have the family involved in the operating of that operation. So we do run across accidents.

And that is one area that we have been doing a fair bit of work in and are going to continue doing a fair bit of work in, because it's important that we address all of the safety issues right across the province, not just specific areas.

Agriculture may not be covered by labour standards or, you know, some of the other regulations that are out there because of the type of the operation and the difference that agriculture and the kind of position that agriculture maintains in Saskatchewan. But safety is still an issue, and the department does do a fair bit of work in the areas with agriculture.

Mr. Merriman: — I'm not trying to diminish it or to trap anything here. My point is, is that in listening to your discussion, you know, well we would like to have 20 per cent drop in occupational health and safety injuries, and I hope that's on a calendar year, which is, you know, a good goal, that we would have our resources placed where we most need them, where the most accidents are happening.

And I guess what I would like at a later date if one of your officials could get to me, by the sectors on that list, where are these assigned, and how many officers we have assigned by each?

You know, because I agree with you, and again I'm just trying to point out that we have three new ones in health, and I think that's great if that's the largest one, but we don't have any assigned of the new ones into, you know, hospitals . . . (inaudible) . . . So how do we intend to increase it? It's the 80/20 rule. We're trying to . . . you know, we have 80 per cent

of our accidents in one sector and we're trying to reduce it. That's where we should be focusing our efforts, and I'd ask possibly if you could get back to me with that answer.

Hon. Ms. Higgins: — Yes, we'll get back to you.

Mr. Merriman: — Do I still have a couple of minutes or am I in trouble?

A Member: — Just getting going.

Mr. Merriman: — Okay, one more. Okay, one more question on the same issue?

Hon. Ms. Higgins: — Okay.

Mr. Merriman: — But same thing is — and I'll do it quickly — is the backlog on workmen's compensation board. I would like to know that . . . You know, you had made a statement that we had cleared off a lot of backlog. I'd just like to . . . need to know the number of cases we've cleaned up in that period of time. And as an example, if we started with 1,000 and we cleaned 200 off and we have 200 new — we're at 1,000. That's really what I'm after. Are we making progress and making a dent into getting into these?

Hon. Ms. Higgins: — We're talking about two different things here. The comments that I made at my opening statement were the Worker's Advocate's office, which is housed within the Department of Labour, and it is what it says it is. It's a worker's advocate's office, where if workers, injured workers are having problems with Workers' Compensation Board, they . . . we can provide . . .

Mr. Merriman: — Same question, different department, okay.

Hon. Ms. Higgins: — Well there is quite a difference.

Mr. Merriman: — But I'm asking a question on your, on your . . .

Hon. Ms. Higgins: — If you go back a year ago, there was well up over 600 cases that were waiting to be dealt with or to have some attention paid to them through the Worker's Advocate's office. We have since brought in a new director. We have had a year, a very busy year, where the files have been organized and there has been contact made with many of the files that were waiting. And as of April 1, we are now down to 92 files that are waiting for service. And this is a significant improvement compared to 647 files that were waiting a year ago.

Mr. Merriman: — Okay. So we're . . . and again it's not a question . . . (inaudible) . . . We are cleaning up the backlog in that section which really was my question.

Hon. Ms. Higgins: — Yes. Yes we are.

Mr. Merriman: — Apparently I'm being shoved out so I'll pass.

The Chair: — Thank you, Mr. Merriman. Mr. Yates.

Mr. Yates: — Thank you, Mr. Chair. Madam Minister, I have a

number of questions dealing with services provided by your department to both employers and employees. First off, is it accurate to say that the Department of Labour provides services to both employers and employees, if requested?

Hon. Ms. Higgins: — Without a doubt, we do. And that's a priority. Many times we are not viewed as the valuable resource that we can be and that we provide, as you say, services to both employers and employees. We're often a resource for questions. We have officers in a variety of areas that can go out and provide help to both and that's something that we take a great deal of pride in.

Mr. Yates: — Okay. Madam Minister, would it be a function of the occupational health and safety branch to work with employers if they were setting up a new industrial facility or a new business complex in the province? Would the occupational health and safety branch provide assistance and consultation to help employers do that in the best possible way to reduce possible injury?

Hon. Ms. Higgins: — There is . . . That is probably one of the most important roles I think that we play. And in the previous questions talking about the occupational health and safety officers, for those officers to be able to go out and help employers and employees work through areas that may need to be addressed as far as safety concerns within the work site, it's something that is necessary. But it is something . . . one of the problems that we run into, especially when you, you will hit on smaller employers.

And there is a number of small employers in Saskatchewan. They are one of our largest job creators here in the province. But they may not have the resources or the ability to free up staff or themselves be able to travel to safety conferences or to be able to access the information themselves — time constraints, could be distance, could be all kinds of issues.

And one of the programs that has been launched with the Department of Labour and the Workers' Compensation Board is the WorkSafe program, which has compiled information on safety from a variety of areas and safety organizations out in the province, and has put it together and drawn it together into one central location. So it's accessible on the Web site. And if there is an employer that doesn't have access to a Web site, it is available on CD-ROM (compact disc read-only memory). And it is a wonderful resource of safety information that is available quite easily.

Mr. Yates: — Thank you, Madam Minister. If a new company or new employer wanted to start up a business in the province, would the Department of Labour assist them in understanding the rules, the regulations, and helping them get into business as far as understanding the provisions which you have to follow within a province? Do they provide that type of assistance to new employers?

Hon. Ms. Higgins: — Yes, we do. And that is also one of the things that I think is the most . . . I mean, right up there with the priorities that we have, to be able to get out and make the explanations. Quite often in . . . Not as much lately, but I know when I first took on the role as Minister of Labour, that was one of the most common complaints or concerns that were

expressed to me, was the perception of what was actually contained in the labour legislation in Saskatchewan.

As in my comments to one of the previous questions, we do do comparisons right across Canada as to where we fit, and the differences or similarities that there may be between labour legislation right across the Canadian provinces. Saskatchewan is . . . I mean, we're comparable to other provinces. We may have slight differences. We may have some things better. In other areas we may be . . . the standards may not be as strident as they are in other provinces. But all in all the comparisons are favourable. But to get that information out to workplaces, to workers and to employers, is important. An understanding of what is there and what's required is important, and that's one thing that we will do.

Mr. Yates: — Madam Minister, my final question. When the department evaluates itself and looks at services it could provide in the province, does it consult both with employers and employees in order to see what types of services both industry and, in fact, employees feel are needed to be provided by the Department of Labour?

Hon. Ms. Higgins: — I believe that that is one thing that we do a very good job at. And that any of the boards or advisory councils that we have within the Department of Labour and that we have contact with, we strive to have equal representation from both business and employees.

Our boards are structured that way so that the advice that we are getting has a balance to it. That is something that may not be perceived as being there, but it is something that we take a great deal of care with when we are establishing any of the boards or advisory councils or councils within the Department of Labour.

Mr. Yates: — Thank you very much, Madam Minister.

The Chair: — Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair. Minister, I'm not sure if the question I'm about to ask you applies to your department. It may apply to another department. But the only way I guess I'll know is if I ask the question.

In today's paper there's a news item: "SIAST workers ratify pact." And there's the commentary in the article, Mr. Jim Steele, Chair of the academic bargaining unit for SGEU (Saskatchewan Government and General Employees' Union), talks about the provisions of the contract that has been arrived, and he does . . . he was asked about the pay equity provisions in the contract. And I guess my question is, would you have information on the cost of those pay equity provisions in the contract that was just negotiated?

Hon. Ms. Higgins: — No, that would be under the purview of the Department of Learning what exactly is within the contract that they have negotiated with the academic and with the instructors at SIAST (Saskatchewan Institute of Applied Science and Technology).

But what I will say to you also is, again, back to the chartered accountants' reports that were released on Saskatchewan. Saskatchewan is recognized as having an extremely good record

and making some substantial advances in addressing pay equity and the shortfall and the gap that there is between men's and women's wages. Even though that in many cases women in the province of Saskatchewan are higher educated and are graduating in larger numbers from post-secondary education than men are, we are still . . . there is still a gap. But the chartered accountants did recognize Saskatchewan as having some substantial gain and as being one of the provinces — if not the province — to address pay equity more substantially than it has been done anywhere else.

Mr. Hart: — So, Minister, what you're saying is that the details of that question would be best asked to the Minister of Learning then.

Hon. Ms. Higgins: — Yes.

Mr. Hart: — Thank you. Minister, last week the Workers' Compensation Board released their annual report for 2003, and in that report it was shown that the deficit fell from 93.5 million in 2002 to 7.9 in 2003.

And, you know, the headline of a newspaper article dated April 30 says, "Provincial businesses may be in line for a break in premiums." And I'm sure businesses are certainly looking forward to that. I just . . . there's a line. Mr. Federko was quoted as saying that there's reason to hope that rate increases in 2005 may be modest, perhaps 1 or 2 per cent. And that's certainly, if in fact that turns out to be true, it's certainly good news for business owners in this province.

However I have some concerns. And like as I said, indicated, it's certainly good to see that the deficit has been significantly reduced. Yet when I look at the budget document that was presented here to the legislature at the end of March, the deficit, projected deficit for the Workers' Compensation Board for 2004 is projected to be 10.3 per cent — somewhat higher than what 2003 was.

And in fact if memory, if I recall correctly . . . and I believe I do have those figures here somewhere. Yes, here they are. The 2003 deficit was estimated at 6.5, and then the budget document says it's forecasted at 7.8. And it actually came in at 7.9, and then you're estimating a deficit of 10.3 for 2004. So what that's saying to me is that first of all you underestimated the deficit for 2003. It was actually higher by about, well million and a half dollars or so, not quite — 1.4 million for 2003 — and that the deficit is actually heading in the wrong direction. Instead of going down it's, you know, it's going up — I mean if you're forecasting a deficit of 10.3.

And then I believe in a letter that you wrote to the Finance critic, Mr. Krawetz, couple weeks ago in response to a question in interim supply, you indicated that possibly the deficit for 2004 could be higher. It's all dependent on the investment climate and that sort of thing.

So I guess my question is, in light of those facts, how can you predict a small premium increase for 2005? I guess that's the question that I would have for you and Mr. Federko.

Hon. Ms. Higgins: — Well there's a couple things that I would like to touch on in response to your question which actually

touched on quite a few areas. When you look at this year as compared to last year, last year we had a \$93 million shortfall. This year we are 7.87 million. That's a substantial increase. Administrative costs, which quite often the opposition has stood in the House and criticized and questioned, have come down over the last couple of years. This year again, in the annual report that was just released, injury numbers have also dropped slightly.

Now I guess one of the biggest indicators for me was the report was tabled a week ago, and this is the first question that I've got on it. So I guess that says to me is that we have done very well this year, and the Workers' Compensation Board has done very well.

We have said over the last couple of years that there has been some changes that were in the process of being made in program delivery and the way some areas have undergone a great deal of scrutiny over the last couple of years with the committee of review that was tabled a few years ago, also another administrative review. And out of those, both of those reviews there was a fairly substantial number of changes that were recommended for the board to undertake. WCB and the board have undertaken those changes.

It has been a busy couple of years — three years — and we're starting to see the results. We have said over the last couple of years, when we have had some substantial shortfalls, that we felt we had made some good changes, and we were expecting results from those changes. And I believe we are seeing those. To go from a \$93 million shortfall to a \$7.87 million shortfall is a good change.

Have the returns on investment increased? Yes they have, but not anywhere near to what they were in the returns that we were getting in the late 1990s and to the time when WCB reimbursed \$95 million in earnings, surplus earnings at the time, to employers throughout the province of Saskatchewan. There has been changes, but we are seeing some very good results this year. And I think it is shown by no questions being asked until today.

Mr. Hart: — Well, Minister, well at least I have to agree with you; the report was tabled late last week, and there aren't any questions until today. You know, we certainly have to acknowledge when things are improving.

But just let's put that \$93 million loss in 2002 in context; 36.7 million of that was a one-time expenditures to comply with legislation that was passed in 2002 to enhance the benefit. So it wasn't as if there was a large operating deficit in 2002 and all of a sudden it was shrunk down to, to 7.8 or 9, whatever the correct figure happens to be. It was a one-time expenditure. So the improvements aren't quite as dramatic as one would think when you look at the raw numbers, Minister.

The other thing is the province of Manitoba also released their annual report very recently. And although they showed . . . their Workers' Compensation Board showed a slightly higher deficit for 2003 — at 19.1 million I believe it was — their rate is significantly lower. Their average rate for 2003 was \$1.56 per 100 versus Saskatchewan's \$1.83. And also in their news release, they indicate that their plans call for a modest surplus in

2004 — not an increasing deficit. So we . . . You know, granted things have improved in Saskatchewan, but if we look across just to the east across the border, we see that things at least are projected to improve considerably better than here in Saskatchewan.

And I guess my question to you is, Minister, is: what is Manitoba doing that Saskatchewan isn't doing to be in a situation where . . . granted their deficit was slightly larger in 2003 than ours was, but their premium rate, average premium rate is, you know, fairly significantly lower than Saskatchewan's.

Hon. Ms. Higgins: — The member is accurate in saying that the 36 million was to cover increased benefits. And there is no apologies for increasing benefits to workers — injured workers — that is required.

Many provinces . . . And there is difference between Saskatchewan and Manitoba in the benefit levels and the coverage that is there. Manitoba is . . . currently has their system under review and are reviewing benefit levels and what types of things that are covered. So we will just have to see what is there. Other provinces have reduced coverage and benefits to injured workers.

But I will . . . we can argue benefits. We can discuss those issues, but I will hold firm to the belief and the knowledge that the best way to reduce premiums is to reduce the injury rates. An injury that doesn't happen costs nothing and does not increase premiums. And that is still the best way to reduce the premiums that are there, and the costs to the WCB and the cost to employers . . . is to reduce the number of injuries that occur.

Mr. Hart: — Well, Minister, certainly I agree with you as far as your remarks to injuries and that certainly is the key. However Manitoba does provide coverage to their workers. I'm not . . . I must admit I'm not familiar with their levels of coverage.

And I guess I would have to ask you, Minister, why in a time when WCB's revenues were dropping . . . And I remember you answering questions in the House about last year's deficit, and you said that the market was down, and return on investments should be a lot lower than it had been in previous years. And I think we all realize, you know, the lower market conditions that were in effect at that time. Why would your government at that time, when WCB was struggling with reduced revenues, bring forward legislation that increased benefits?

I looked at the benefits as they were at that time and the enhancements. And, you know, I mean I don't disagree that injured workers need to have enhancements, but I think, you know . . . I guess my question is the timing. If WCB was struggling with a deficit because of reduced investment income, why would your government bring forth legislation that would add an extra \$36.7 million to their deficit?

Hon. Ms. Higgins: — There's a number of factors that led up to the decisions and the timing of the decisions.

Some of those are by legislation. The committee of review has to be struck every five years to review the Workers'

Compensation Board. So when you get into the timing of the review, the markets starting to falter and taking a drastic dip — I mean if anyone could have predicted the markets, I mean, you would be doing all kinds of wonderful things, I'm sure. Anyway I mean it was a number of things that hit, and the timing probably wasn't the best, considering looking at all the things that really hit in that short period of time. Actuarial adjustments were quite large. The revenue from investment income fell sharply.

But when we look at the committee of review . . . and this again is a committee that is struck with equal representation from the business community, from employers and from employees. It came to a unanimous decision on recommendations that were put forward by the committee of review. So when you have business representatives and employee representatives that are unanimous in the recommendations they put through, put forward, after they have done a series of consultations and quite an extensive series of consultations and presentations that are put forward to the committee . . . their recommendation was for a full indexing. And what we ended up doing with the financial circumstance and the situation that we were facing with — the falling revenues in the investment portfolio — we ended up phasing it in over a period of time, instead of going with the immediate indexing.

Now you have to look at . . . the maximum wage had not been increased since 1985. And it was at \$48,000. So for someone who had been making more than that or whose wage could have been substantially higher than that, to be frozen at that wage with no increases since 1985 . . . had not kept pace with the situation as it occurs today and currently. So what I say, it was unanimous recommendation, and that was parts that we followed through with . . . now adjusted it somewhat to make it not as drastic as what it may have been with the full indexing immediately, but phasing it in.

Mr. Hart: — Well, Minister, though, I guess my question to timing it is, you admitted the timing may not have been the greatest when the deficit in 2001 was at 56 million. And you were looking at a deficit about the same or slightly higher, you know, and then add on another 36.7. And by that time I think that there was probably an indication that investment revenue was starting to drop and so on. I guess timing was . . . That's a bit of an understatement that timing wasn't the greatest.

You know, I look at — if my information is correct — some of the coverage levels. Maximum insurable earnings were at 48,000, and then they've been increased and indexed and so on. It's not as if, you know, the injured workers weren't receiving, you know, certainly benefits that would sustain them and so on. And I mean, I'm not . . . As I said earlier, you know, I think injured workers have a right to an appropriate level of coverage and so on, but I think we have to balance this in the overall well-being of the plan and so on.

Now what is the total deficit of the WCB now? We had a \$56 million deficit in 2001, and 93 in 2002, and 7.8 in 2003. What is the total accumulated deficit of the WCB?

Hon. Ms. Higgins: — The injury fund has a deficit of \$79 million. But there is 28 million that is in reserves, so we have a net deficit of \$51 million.

Mr. Hart: — So, Minister, these deficits that you'd indicated in your letter dated April 15 of 56,000,093 and then of course the 7.8, are those . . . those are injury fund deficits. Are they deficits of the entire board? I realize, at least I suspect, that the majority of the operations are in the injury fund but is that . . . does the injury fund . . . Because frankly I find your annual report somewhat lacking in information.

It's a bit difficult to make from year-to-year comparisons and to really get a comprehensive look at the financial status of the board. Like there are . . . There's an injury fund, a statement of operations of the injury fund. Now is that for the entire WCB operations, or I would assume there are . . . there's other areas that need to be included as far as an overall encompassing financial statement?

Hon. Ms. Higgins: — You were referring to page . . . Well if you look at page 16 . . .

Mr. Hart: — Yes.

Hon. Ms. Higgins: — That is an accumulation of all of the shortfalls for the WCB, is the 79 million.

Mr. Hart: — Okay.

Hon. Ms. Higgins: — You had the 71.9 from previous year.

Mr. Hart: — Okay.

Hon. Ms. Higgins: — Add the 7.87 whatever . . .

Mr. Hart: — Yes.

Hon. Ms. Higgins: — To this year and then you have the 79.8. So that's an accumulation of everything.

Mr. Hart: — So to be perfectly clear, you just said that that is the total debt of the WCB, is the \$79 million dollars.

Hon. Ms. Higgins: — Except . . . there's always an except.

Mr. Hart: — Oh.

Hon. Ms. Higgins: — Except the 28 million is in reserves, but that is your operating and your injury fund totals.

Mr. Hart: — So what you're saying, there's a debt out here of about almost 80 million, 79.8 as a debt. And then somewhere else, there's a pot of funds, of reserves of 28 million? Are those actual funds, I mean or . . . (inaudible interjection) . . . It's not the fiscal stabilization type of fund, is it?

Hon. Ms. Higgins: — Oh, gosh no. No, no. No, this is . . . it's reserves. It's listed on page 26.

Mr. Hart: — Okay. Let me just . . . Okay, I'm looking at page 26.

Hon. Ms. Higgins: — Okay, what you have, you have a listing for the injury fund on the bottom chart, deficiency in assets.

Mr. Hart: — Okay. Yes.

Hon. Ms. Higgins: — You have the injury fund which is listed at the \$79 million shortfall.

Mr. Hart: — Yes.

Hon. Ms. Higgins: — Then you also have in reserves, you have three categories of the reserves there. You have the disaster and occupational disease which has the 22.77.

Mr. Hart: — Yes.

Hon. Ms. Higgins: — Then you have the second injury and re-employment which has the 5.69. So those added together, that is what's in reserves — the 28 million.

Mr. Hart: — So then what you're saying is that the actual debt of the WCB is this . . . well let's round it off to \$80 million minus the 28 million. Is that the net debt? Would that be fair?

Hon. Ms. Higgins: — Well it's not debt. It would be a deficit.

Mr. Hart: — Okay. Explain deficit and debt to me.

Hon. Ms. Higgins: — I mean debt would . . .

Mr. Hart: — I mean if you lose . . .

Hon. Ms. Higgins: — Debt would be money . . .

Mr. Hart: — \$93 million one year — you know, you must have incurred a debt of some to fund that loss in operation. No?

Hon. Ms. Higgins: — No.

Mr. Hart: — I see someone shaking his head.

Hon. Ms. Higgins: — You're the accountant, you can explain this.

The Chair: — Mr. Federko.

Mr. Federko: — Perhaps I can refer you to page 15 which is our statement of financial position. And what the statement of financial position shows are the total assets that the board held at December 31 and the associated costs and the total debts or liabilities.

So you see we have total assets of 889.5 million, and we have total liabilities of four . . . or of 940, pardon me, point nine million dollars. So the difference between the two is the \$51.3 million that we've been talking about in terms of a net deficit. So all that this means is that the debts, the liabilities that we held at December 31 were \$51 million bigger than the assets that we held at December 31.

Under the liabilities, I'd like to direct you to the second item which is called benefits liabilities. And I would not encourage you to go to note 9 because that will just further confuse you.

Mr. Hart: — I think I've already been confused.

Mr. Federko: — The benefit liability is obviously the largest liability that we hold. And what it represents is the total funds

required on December 31 to be invested in order to pay future benefits for all claims that are in the system on December 31. So whether they're current year or prior year claims, our actuaries tell us that we need to have on hand \$802 million roughly in order to continue to pay the benefits for the claims that are in the system.

As at December 31, you'll see that, just to pay the liability on the claims, we have more than sufficient assets. What's important to understand is that this benefit liability basically represents a 50-year mortgage. These benefits are payable over the next 50 years, so we don't have any debt as such. We don't need to go out and borrow money because we don't have enough cash to pay. The deficit simply means that our reserves and injury fund have been drawn down as a result of accumulated deficits to the point where our future benefit liabilities exceed our assets.

As at December 31 however, we are 98.6 per cent funded, so virtually 100 per cent funded. There's no chance that any of the benefits are in jeopardy of being paid. There's no chance that our vendors won't be paid. We have sufficient cash to meet our immediate needs.

I hope that helped.

Mr. Hart: — Yes, it did. Yes.

So in order to eliminate that \$51 million deficit, you need to have a bigger chunk of assets to invest so that it generates enough revenue in the future years to . . . well I guess it's partly invested and partly premiums and that sort of thing. So in order to . . . I understand that there is already a plan in place, over 15 years, to increase rates to look after that \$51 million deficit. Is that more or less correct?

Mr. Federko: — We won't be increasing rates in each of the next 15 years. What employers agreed to or wanted us to do was to put a component into the rate which amounts to 3 cents and to leave that component there for a 15-year period to replenish the deficit that we have. The \$51 million basically amortized over 15 years is 3 cents — not an additional 3 cents every year. But 3 cents in went this year, and it will stay there, all other things being equal, for the next 15 years.

Of course the commitment that we've made is, should investment markets improve beyond what we are projecting, that amortization period will be shortened. We won't leave it there for 15 years if we don't in fact need it to recover the deficit because other things help us out.

Mr. Hart: — I just have one short question, Mr. Chair, that's related to this whole area, and I'm sure we will be coming back to this. You indicated, don't go to note 9. Well I didn't heed your advice. I'd been there earlier and looked at note 9 and looked at some of the long-term economic and actuarial assumptions on page 24.

And I guess the question that came to mind is the percentage of real future increase in health costs of 1.5 per cent. I guess that's something that sort of jumped out at me, that with the ever increasing costs of health care, it seemed like 1.5 per cent is fairly low. You'll have to . . . We've had CEOs (chief executive

officer) of health districts state that health care costs are increasing at 8 to 10 per cent per year. So I mean I just would like the rationale of that assumption.

Mr. Federko: — I guess one should not confuse actuarial assumptions in any way with reality. Actuaries make a set of assumptions that conservatively estimate the amount of funds that are required to be invested. So even if we look at, for example, their assumptions for inflation of 3.5 per cent, it's been a number of years since we've actually seen 3.5 per cent inflation — never mind Saskatchewan but in Canada.

The actuaries take a very, very long-term view, however. And what they are trying to anticipate is what will happen over the next 50 years basically. And they have developed, the Canadian Institute of Actuaries has developed a set of actuarial standards that they say include a certain set of assumptions that are within actuarial standard.

So the three and a half per cent inflation, the 1 per cent growth in real wages, and the one and a half per cent increase in health care costs are all part of actuarial assumptions that they have compiled through databases that, you know, we have not seen nor do we particularly care to. However these are consistent assumptions that they apply across all WCBs in valuing a liability.

Mr. Hart: — So they're not your numbers. They're the actuarial . . .

Mr. Federko: — Correct.

Mr. Hart: — Thank you.

The Chair: — Thank you, Mr. Hart. Mr. Yates, you have the floor.

Mr. Yates: — Thank you, Mr. Speaker. At this time I would like to make a motion. I'd like to move:

That pursuant to rule 119(2), the committee authorize the broadcast of its public proceedings.

The Chair: — It has been moved by Mr. Yates:

That pursuant to rule 119(2), the committee authorize the broadcast of its public proceedings.

Is there any discussion? All those in favour? Opposed if any? That motion is carried.

Mr. Yates: — Thank you, Mr. Chair. At this time I'd just like to thank the minister and her officials for coming this afternoon and answering our questions. It's always good to have you come before the committee, and I would like to thank all of you for your time this afternoon. Thank you.

The Chair: — Mr. Hart.

Mr. Hart: — Mr. Chair, I would like to join with Mr. Yates in thanking the minister and her officials for coming and answering our questions, and I look forward to our next session of estimates where we can continue our questions.

Hon. Ms. Higgins: — And we look forward to coming back.

Mr. Hart: — I would move that we adjourn, Mr. Chair.

The Chair: — It's been moved that this committee adjourn. All those in favour? Opposed? That motion is carried. This committee stands adjourned.

The committee adjourned at 16:58.

