



# **STANDING COMMITTEE ON THE ECONOMY**

## **Hansard Verbatim Report**

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**Legislative Assembly of Saskatchewan**

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**STANDING COMMITTEE ON THE ECONOMY  
2006**

Mr. Warren McCall, Chair  
Regina Elphinstone-Centre

Mr. Randy Weekes, Deputy Chair  
Biggar

Ms. Doreen Hamilton  
Regina Wascana Plains

Hon. Deb Higgins  
Moose Jaw Wakamow

Mr. Delbert Kirsch  
Batoche

Mr. Eldon Lautermilch  
Prince Albert Northcote

Mr. Lyle Stewart  
Thunder Creek

[The committee met at 15:25.]

**General Revenue Fund  
Regional Economic and Co-operative Development  
Vote 43**

**Subvote (RD01)**

**The Chair:** — Thank you very much colleagues. We'll call the meeting to order and begin consideration of estimates and supplementary estimates for the Department of Regional Economic and Co-operative Development. Greetings to Minister Serby. If you could introduce yourself and your officials, and we'll get under way.

**Hon. Mr. Serby:** — Thank you very much, Mr. Chair, and members of the committee. I have with me today a number of officials. Seated to my immediate left is Dr. Louise Greenberg; she's the deputy minister of the department. To my immediate right is Denise Haas; she's the executive director of regional programs and services.

And I'll start on my far right because they're better looking from my far right to the left. Andrea Terry Munro is the senior manager of finance, on the right side. John Keeler is the director of investment programs. Debbie Harrison is the director of program development and sport. And Mr. Al Syhlonyk is the executive director of policy and planning. He's leaving our department in the next little bit, so that's why I have him last. He's going to lands branch in the Department of Agriculture in the next little bit to provide good work and services to them. So this may be one of the final times, Mr. Chair, that he's at our deliberations and meetings.

That's our staff and we're pleased to be here, Mr. Chair.

**The Chair:** — Very good, Minister. I recognize Mr. Brkich.

**Mr. Brkich:** — It's nice to have you back in estimates. Every, I think, year it seems like it's a different name for the department at that end of it. So I guess this year it's called Regional Economic and Co-operative Development. I'm going to be curious what you guys are going to come up with next year for a name at that end of it. Sometimes I wonder . . . I think you must maybe wonder if the Premier is just trying to get rid of you or just can't get rid of you and you just keep shuffling around with these new names.

But we'll start with, I guess, at the budget end of it. I take it you have a lot more money than you had last year for Rural Revitalization. Your budget looks a little bit higher at the end of it. I think last year you didn't have many employees. I see you got a lot more introductions this year behind you. Can you give me an indication of staffing? I'd like to start with that — the increase in staffing, job descriptions, and along that line.

**Hon. Mr. Serby:** — Thank you, Mr. Chair. I want to just say first and foremost that I'm going to ask my deputy to provide you with the full analysis on the size of the department today, some of the changes that have been made, and also the addition and inclusions of people who are now serving within the department.

I recognize that the member very quickly realized that we have name change. I know that the member opposite would know something about name changes. From time to time there are name changes that occur, not only in departments but with political administrations as well, so I appreciate that you recognized that.

I want to also say that in this department now, Regional Economic and Co-operative Development, one of the key areas in the restructuring of the name is that we're of the view that — and I know that you also agree with this — that in the province it takes a variety of different engines to drive the economy: the private sector and the public sector and of course the co-ops. It was our view that we wanted to profile the co-ops to a larger degree, going forward in this new year, and forward. And so we've included them in the name.

We also wanted to focus a great deal more attention around economic development from a regional perspective because we know that there is really good work happening around the province today, and you'll know some of it from your travels around the province. A number of areas today where there is communities working together, REDAs [regional economic development authority] are coming together as administrative bodies and collectively are building on the five or six sectors today in the province that are really making a difference in rural Saskatchewan.

And so in the decision — I think last year we had the 26 REDAs when we were here — we reported on the 26 REDAs, all but Saskatoon and Regina because they were in the Industry and Resources file. This year we have incorporated the Saskatoon and Regina REDAs into the bigger regional economic development portfolio and accordingly have added a couple of additional staff, which have really come to us from Industry and Resources. So to more specifically I think answer your question, I'm going to ask Dr. Greenberg to provide for you the number of FTEs [full-time equivalent] and those who have made their way from Industry and Resources to our department.

**Ms. Greenberg:** — For this year we have 55.9 FTEs. That's an increase of four FTEs from last year. The four account for one new position in the deputy's office, one new position in the policy and planning branch, and two positions that were transferred over last year from Industry and Resources. But the actual FTE numbers did not come over; the position and the people came. So it was a correction for this year to account for the two FTEs that should have been transferred last year.

As the minister indicated, we had a number of staff that transferred last year and this year, and I can give you a breakdown of the number of regional offices we have and the locations. Our department is divided up really into two divisions. Besides my office, there is a policy and planning branch, and then there is the regional programs and services. Al Syhlonyk is executive director of the policy and planning branch, and Denise Haas is executive director of the regional programs and services. We've got eight regional offices. They include Regina, Prince Albert, Yorkton, Estevan, Moose Jaw, Swift Current, North Battleford, and Saskatoon. And we have staff in each of these offices.

The job descriptions, I'd have to provide them to the Chair at a later date. I don't have job descriptions for all the 55 staff. And if you would like further details, I can provide that. The other information is that our staff includes both in-scope and out-of-scope, and the majority of our staff are in-scope employees.

**Mr. Brkich:** — Thank you. Mr. Minister, eight offices spread out through Saskatchewan. Under rural or development were there, did you have eight offices in last year?

**Hon. Mr. Serby:** — We had seven, Mr. Chair, to the member.

**Mr. Brkich:** — Okay.

**Hon. Mr. Serby:** — That excluded Saskatoon, Regina of course.

**Mr. Brkich:** — Okay. So you're including Regina and Saskatoon. How many staff is each one of the offices?

**Ms. Greenberg:** — Each staff, the Regina office has got . . . The regional office has got three staff. The Prince Albert office has got three staff. The Yorkton office has got three staff. Estevan office has got three staff. Moose Jaw has two staff. Swift Current has three staff. North Battleford has three, and Saskatoon has 4.9 staff.

**Mr. Brkich:** — Okay. Can you give me a breakdown of the budget of what would be staff and what would be . . . the money that would be allocated for staff and for lease of buildings. Basically of your final whole budget, how much is staff and leasing?

**Ms. Greenberg:** — If I break it down for the staff that are in . . . First, if I break down accommodation services, we pay \$493,000 in accommodation. That includes accommodation for the eight regional offices plus our Regina head office. If I look at the cost for staffing out in the regions plus our head office, that includes the salaries and I'll give it to you . . . If you're following by subvotes, it's broken down between (RD04) and (RD05).

For (RD04), our staffing is \$2.967 million. And in (RD05) which is our co-ops — we separate our staffing — the salaries are 433,000, and our codes 2 to 9 which includes some co-op program money is \$214,000.

**Mr. Brkich:** — Thank you. Buildings, do you own . . . do you lease them from SPMC [Saskatchewan Property Management Corporation] or do you lease them from other, throughout the eight locations?

**Ms. Greenberg:** — We lease our buildings from . . . We don't own any buildings. We lease from SPMC, but I believe in certain offices we have other leases. I would need to check my material for that.

**Hon. Mr. Serby:** — I can give you, for example, in Yorkton the area of which . . . the property that the workers or the staff are working out of is leased, and I expect we have a combination of both.

**Mr. Brkich:** — Thank you. Also as part of the budget, the name change, like say this is . . . the third time you've changed the name. Can you give me a breakdown from Rural Development last year and then going into Regional Economic Co-operative Development, how much that's going to cost you just changing your name?

**Ms. Greenberg:** — I don't have the exact figures, but I know the cost is not great because the only cost we do for printing where we have to do . . . printing stationery for the minister's office. Everything else is . . . We use templates and produce letterhead electronically. I have some letterhead printed for myself with the name change. I estimate that the cost for stationery would be about \$2,000 for that change.

There will be . . . Some changes will have to be to the office location for the name outside the door, but in most cases those are the kind that you use the white clips that you change. And we don't have elaborate signage because our offices are part of other offices. For example in Swift Current, in Saskatoon, they're part of enterprise centres so we're just one of the partners in that agency and don't have stand-alone offices.

**Mr. Brkich:** — In them offices, are all the employees, are they focused on this particular department or are they kind of shared between Ag and Food and back and forth? Or are they just . . . this is only their job?

**Hon. Mr. Serby:** — The current arrangement is that there would be a greater focus with the chamber of commerce, greater focus in the larger centres where you have Industry and Resources offices. So the focus would be more on development today — community development, project development, industry development, sector development as opposed to for example . . . And I think you're probably alluding to when the department first got established as Agriculture, Food and Rural Revitalization. The focus really was I think on trying to blend the kinds of agricultural opportunities to that of what the economy in various different regions could determine.

I think what we've found over the last number of years is that when you're working with communities or you're working with regions, it's not just about agriculture. It's about your mining sector. It's about your forestry sector. It's about your manufacturing. It's about your tourism. And as a result of that, we think that the focus is far better served today when you blend economic development with the areas of Industry and Resources and all of the other departments that might exist within regions of a province.

**Mr. Brkich:** — I guess the focus of my question was not the department but to focus on them . . . but let's say, does that mean that . . . I think it was last year some of your employees came from Sask Ag and Food. Does that mean that they may go over and work just on that or even Industry Resources? Or are they going to be just focused on this particular ministry which is the Regional Economic and Co-operative Development, or are they going to maybe loaned back to Industry and Resources or some other departments?

**Hon. Mr. Serby:** — Yes, I think because the last year the department the people came from, it looked like they came from the Department of Agriculture and Food, but it was the Rural

Development side of the department. And so when we made it a free stand-alone department, the people were still employees of Rural Development. They simply were housed in the Department of Agriculture and Food. Today they're housed separate and apart from the Department of Agriculture and Food.

But we have a very large dependency yet today on some of these support services from Agriculture and Food, so some of our payroll work is done through their . . . our administrative work is done through their . . . we contract for our communications work through the department. Much of our IT [information technology] work is still provided through the Department of Agriculture and Food, so we're not having to duplicate the services and are using their complementary staff to do some of the work that in the past was done through the department.

**Mr. Brkich:** — Thank you. Getting into the investment programs, looks like you've got a \$1 million increase in investment programs. Can you give me a breakdown of where that money is going and how it's going?

**Hon. Mr. Serby:** — Mr. Chair, to the member, \$420,000 is going to the REDA to the core funding. 150,000 new dollars is going to REDA enhancement, and then there's another 30,000 of top-up for the youth employment. That's primarily where the . . . and then of course the other \$550,000 is the snowmobile fund, and that should take us to the new dollars.

**Mr. Brkich:** — Thank you. 150,000 for enhancement for REDA — what are, how are, how is, I guess, enhancement for?

**Hon. Mr. Serby:** — Yes. What we had a number of years ago is a pool of money that sat at about \$1 million. And that pool of money was distributed to the 28 REDAs across the province to assist them in development of projects. So if in fact a REDA had decided that they wanted to pursue — let's say — an ethanol plant or a biodiesel plant, a feedlot, to do something around, in the case of Prince Albert, around tourism, they were provided with a block of funds, a grant. That grant then could be used to do a feasibility study, a regional development plan to assist them actually in determining the feasibility of a particular project in a region or community.

Over a period of four years that money disappeared. And one of the biggest criticisms that we heard from the Economic Development authorities is that that seed money was really, really significant and important to help them develop projects around the province. And it was matched of course by the municipalities.

So last year what we did is we convinced the Finance department and the Treasury Board that it would be a good investment for us to put \$150,000 back into the enhancement fund. We would make those dollars available again to REDAs across the province. REDAs competed for those dollars. They submitted application forms. A committee reviewed the strength of each of the applications, and then the money was rolled out accordingly to the different REDAs across the province.

This year what we said to the Treasury Board and to Finance is

that we've got a tremendous value from the fund, and what we really wanted to do is to try grow it again. And if they would provide us with an additional \$150,000, and now taking us to 300,000, we would make that money available again to the REDAs across the province to work at projects to lever out capital investment and build industry in rural Saskatchewan, and so . . . or in Saskatchewan, not just rural. And so that's what the additional money is going to be used for.

We think that today, since 1998, the enhancement fund has levered over \$4.1 million to well over 170 projects. And to date we say that these projects have yielded, capital investment has yielded well over \$76 million in Saskatchewan throughout the various REDAs, and they've created over 450 jobs and maintained well over 120 of those jobs as well. So it has been actually a miniscule investment on the part of the province. That has levered a tremendous amount of capital and provided a significant amount of jobs in rural Saskatchewan, and there's hundreds of projects here that we are talking about.

**Mr. Brkich:** — Thank you. On the applications, what would the REDAs . . . When you do send the application and it gets approved, or a company I guess who sends the application, what would it be applying for? Would it be for feasibility study money? Would it be for that, or would it be for start-up, to start up business? Would it be for employee wages or would it be just on loan guarantees?

**Hon. Mr. Serby:** — Let me just give you some examples of some projects that might be helpful. For example when you take a look at the Weyburn area, you have the southeast REDA which is the Borderline feedlot in Ceylon. It opened in two oh five. Our funding, our investment fund helped put some of the project together, so some of the feasibility work, some of the feasibility studies is what some of our money was used for. And then it levered \$3.2 million of capital investment, created nine jobs. And then there's a potential for an additional eleven jobs. So our enhancement money was used to do two things. It was used to help do some of the feasibility work, and then it was also used to invest in the project. And that's just one.

For example the Stoughton Feed Processing plant in Estevan is another example, and it levered about \$2.4 million worth of capital. Moose Jaw Cultural Centre, which is another example of a project, it levered \$7.5 million worth of investment. In Porcupine Plain the Etomami REDA was involved in that process. They got Big Sky pork incentive hog operation at Porcupine. It levered 31 million — \$31 million worth of capital. It's a very big project.

And of course you have projects like life lease housing in Gull Lake. In Moosomin, you have the regional integrated health facility. Some of the money was used by the REDA to help with the initial studies that were used to help put that project together. You've heard of the Last Cattle Frontier in Yorkton. Some of the REDA money is used to attract some of the ranching families. We now have over 100 ranching families in that region, of which this money has been used to advance.

Swift Current of course with their Action Swift Current, they've just finished winning yet another national award, international award. They levered over \$30 million worth of projects through some very small investment through the enhancement fund.

So it's feasibility studies and it's project investment. It's both.

**Mr. Brkich:** — Feasibility studies, which are a good thing, that's usually the hardest when you talk to any group to get started on, but you also talk about investment in the project. And I'm not sure I follow you there. You mean like you're . . . is it a loan guarantee? Or are you just investing in the company where you own a part of the company, or are you just giving them some money and they can . . . it's theirs to do with what they want after they get it up and running? Can you give me a few more examples of that?

**Hon. Mr. Serby:** — The ones I gave you, the projects that I gave you, it's money that we use for feasibility studies. It's money that we use to invest actually in the project. It's a grant so there's no guarantees that are required here. It's simply a direct grant that we provide to the REDA. It's provided to the REDA.

**Mr. Brkich:** — Okay. And then the REDA, when it gives the money, does it have to specify to the business starting up this can be only used for feasibility study money or to get a business application, you know, business plan, stuff like that? Or is the grant money theirs to help them get the business up and running, to start it, like start paying wages, to buy building material? That's the direction I'm moving in on that.

**Ms. Haas:** — I'll speak to that. The money is used primarily for feasibility planning or feasibility studies, business plannings, perhaps some more development. Some of the projects like the Last Cattle one or whatever, they have other expenditures within that project, but it's not toward purchasing an asset. It's not . . . I think if that's what you're getting at, if we're giving the money to purchase an asset, no. It's like more development-type stuff, feasibility studies, business planning, those kinds of services, project management type services.

**Mr. Brkich:** — All your investment or all your money that flows through this department through your investment programs, does it all go through REDAs?

**Ms. Haas:** — In the investment programs, there's different categories of funding under there. In the REDA Enhancement Fund, absolutely, it's the REDAs that apply for the money and the REDAs that receive the money. And it's for community projects, so it's not to a direct business. It's to the REDA for their community projects.

**Mr. Brkich:** — Do you make any other investments outside of REDAs? Do you get applications that come directly to your department?

**Hon. Mr. Serby:** — None other than the snowmobile fund today that we provide the \$550,000 to the Saskatchewan Snowmobile Association. And then of course the other piece is the core funding that we provide to each of the REDAs, which is now 75,000 over the . . . That's the only money that we make available.

**Mr. Brkich:** — So any of the grants, anything has to go through a REDA, nothing will be coming to you? Some of the bigger projects that may be getting set up, ethanol plants, biodiesel which are . . . You know just about every community

is talking about that . . . [inaudible] . . . about now, if they wanted any start-up money coming from the province, it would all have to be levered through a REDA. Or could they come to your department individually, or another department I guess in the government, to lever some funds?

**Hon. Mr. Serby:** — We don't have any other pools of money that we can make available for capital projects. What we have been successful in achieving over the last year is the new entrepreneurial fund that's been established where the office is now in Saskatoon which is the joint partnership between the credit union and the Crown, ceding up to \$5 million each every year to a pool of over I think it's 5 years, so it's 25 . . . It will be a \$50 million pool.

The structure of that fund is really to assist with what you're talking about I think where if a community is requiring — let's say — up to \$1 million is what this fund provides support to. But it has an application process as well. It's overseen by Prairie Financial, the venture capital fund that looks after the funds for us, for both the credit union and the CIC. People apply to it. Now we would refer individuals, communities . . . REDAs would refer people to that as a fund. Outside of that there aren't any other, other than Investment Saskatchewan which would be the other pool of money that REDAs would refer people to or work with if they were trying to secure initial dollars for capital or for capital.

**Mr. Brkich:** — Thank you. With the last pool you talked about of money, with the credit union and the Crowns together, is that . . . follow the same application roughly as REDAs? Is that money just used for start-up feasibility or some of that be provided as a straight grant?

**Hon. Mr. Serby:** — It's a loan. It's really a loan.

**Mr. Brkich:** — And up to \$1 million?

**Hon. Mr. Serby:** — \$1 million, yes.

**Mr. Brkich:** — Okay.

**Hon. Mr. Serby:** — The reason for that being that we found, and I think in your travels you'll find as well, that one of the large issues in rural Saskatchewan still remains — or in large urban communities — still remains the access to capital and particularly if you're doing agricultural value added. One of the areas of which there seems to continue to be some hesitancy in investment is building a strong agricultural add-value sector. And we just had way too many groups that were coming to us and saying, you know, we need \$500,000; we need another \$800,000 to sort of get us over the top in order to bring a project to conclusion. And so that was the reason for the establishment of the fund.

A good deal of work was done through CIC [Crown Investments Corporation of Saskatchewan] and the credit unions. The pool is now working; it's functioning. They've got way, way more applications today than they have money to provide, which is the reality. They've been bombarded since they've been open with applications for project money and just haven't been able to supply the sufficient number of dollars for the number of projects that are going on out there, so there still

exists a huge need for capital dollars. As much as, you know, we continue to talk about the fact that there is enough capital dollars out there that sectors will grow it on their own — the private sector will grow it on their own — the reality is, is that there's lots of community demand today for money to bring things to fruition.

I know that you'll know this as well as I do; you probably don't have sitting around . . . or maybe you do, maybe on your farm you do have sitting around an extra 5, \$50,000 worth of cash that you could invest in a value-added project in your community. In the part of the world that I come from, you know, it's hard to find that in the farming community today. So there is a need from time to time for those dollars.

**Mr. Brkich:** — How long was that fund going for? You said it started a few years ago.

**Hon. Mr. Serby:** — It just started this past fall. It just started this past fall.

**Mr. Brkich:** — Okay. How many applications have been approved so far?

**Hon. Mr. Serby:** — I don't know that, but what we can do is we can find out for you. I know that in speaking with the fund manager and having spoke with the foundation Chair — and you might know him; Ben Voss is the individual who is overseeing the foundation for us — he tells me that the demand for money is far greater than what they have capacity, as well as they're needing some additional staff to deal with the many, many application forms that they're having to try to process today.

**Mr. Brkich:** — It's like that always. Every business, I mean that's their biggest concern is always start-up money, whether you're in a boom or a bust, you know. In Alberta it's the same thing. I mean it's always, it's always your start-up money is always your hardest. That's why I'd be curious, if you can't find a number, how many that this department has approved at that end of it. And even how many requests that you have over the last year since this fund started, I'd be interested if you could get me that number at that.

**Hon. Mr. Serby:** — I might just, I might just add as well, I forgot to mention that we do have within our purview the small-business loans program, and the small-business loans program we think we have something in the neighbourhood of 295 small-business associations across the province.

They can now . . . They provide up to \$15,000 in funding for projects in various different regions of the province, and they've been very successful, as you probably know. To date they have approved over 55, almost \$56 million worth of loans. They have provided, created almost 11,000 jobs in the province, and most of these are all rural. They've maintained about that many as well, 11,000 jobs in the province, and they have assisted almost 10,000 businesses to assist them with their projects. So it is also another very valuable tool that communities have to draw dollars from. Now it's also a loan.

**Mr. Brkich:** — This small-business loan, is that administrated out of your department?

**Hon. Mr. Serby:** — Yes.

**Mr. Brkich:** — Okay. You say you've got \$56 million out there in loans right now?

**Hon. Mr. Serby:** — Yes, that's right.

**Mr. Brkich:** — Okay. At that much of it, oh 56 million, how much of that is . . . This program, if I remember, has been going for a few years. Can you give me the start-up date on this program?

**Hon. Mr. Serby:** — Yes. The program started in 1989, and the amount of dollars that have been invested since 1989 to today is almost that \$56 million number. Forty million has been repaid, where clients have remitted it. So there's about 11 million that's outstanding today in loans. Our loan loss is very low. It's 6 per cent.

**Mr. Brkich:** — That's 6 per cent of the 11 million, or 6 per cent out of the 56 million?

**Hon. Mr. Serby:** — The 56.

**Mr. Brkich:** — Okay. Well any chance of that being recovered?

**Hon. Mr. Serby:** — I think there continues to be attempt. Some of that won't be.

**Mr. Brkich:** — Back to talking . . . we were talking about the snowmobile trail budget part of it there, 550,000. I remember last year that was probably the main part of your budget. I see that there's another 550,000 in it again. Is that carried on from last year or is that new allotment?

**Hon. Mr. Serby:** — This is a revenue neutral fund, so what happens is that the money comes in from the registrations to SGI [Saskatchewan Government Insurance]. It ends up in our estimate, and we simply then, you know, pay it out to the Saskatchewan Snowmobile Association. So it's really a pass-through. We don't get a chance to use any of this money; it simply floats through. It's kind of like your fertilizer bill.

**Mr. Brkich:** — Okay. At that end of it how much — if I remember, yes and I do remember a bit talking about it — how much was collected last year on it, did you collect on it?

**Hon. Mr. Serby:** — Last year through the permits was 483,000. You're talking about December of this past year, right?

**Mr. Brkich:** — Yes.

**Hon. Mr. Serby:** — That's the number then. It's 483.

**Mr. Brkich:** — That was collected. So then the department picks up, up to 550,000. So they'll pick up 50 . . . roughly 67, \$68,000 of their own will come out of.

**Ms. Greenberg:** — What transpires is that the 550 is an estimate based on the number of permits that could potentially be sold. So if there were more permits that were sold that were

more than 550,000, our budget would show that we would be making a grant to the snowmobile trail fund greater than the 550,000. So because there's only \$483,000 provided to the snowmobile trail fund this year, and not 550, the 550 is just an estimate. And because it's revenue neutral, there is no money lost or gained. No one gains any benefit from it.

**Mr. Brkich:** — Okay. Yes, thank you. That's something I wasn't sure how it followed, whether you have to pick up the difference or not, or the snowmobile association was counting on 550,000. Okay, yes.

**Hon. Mr. Serby:** — They were counting on 550,000; they were.

**Mr. Brkich:** — Yes, I kind of thought they were. Have they been pressuring you to make up the difference?

**Hon. Mr. Serby:** — They have. And I guess I need to check your snowmobile and mine to see whether or not they have registrations on them. It might take them over the top, but they are absolutely pressuring us for additional funding. They were expecting to garner about 550,000.

I think they had two things that were against them this year. We had a late, late snow season, and so that delayed the start of the snow year. The other of course is that there was some concern I think, on the part of the snowmobile users, about the fee and some misunderstanding I think about what the cost of the new registration fee would be versus what the old permitting dollar would bring in. And so I think by the time they got all of that information out appropriately, they found that they just had a smaller amount of revenue this year. Most of it is to do with the snow though, snow season.

**Mr. Brkich:** — Are you expecting 550,000 for next year?

**Hon. Mr. Serby:** — They are. Yes, they are. They're suggesting that if we could accommodate with an earlier snowfall, I think that would help. And so I think collectively the opposition and the government should be . . . if it's about the snowmobile association we want to help; we should be trying to get an earlier snowfall. That would help, and we're not intending to increase the fee. We intend to leave the fee . . . If your question is — are we intending to do anything around the fees? — the answer is that we're not. We intend to leave the fees at exactly the same rate they are this year. They're \$40.

I think most snowmobilers will tell you that it's probably a bargain for them because those who ride trails had two costs: one was I think \$65, and the other one was \$90. So there were two fees associated here. This new registration fee allows them to now travel . . . There's a reciprocal agreement with Alberta . . . or Manitoba, sorry, so they can now travel both in and out of Saskatchewan and Alberta on this registration fee.

And it's really about public safety. This really does encourage people to use the trails where you have trails. And it really has been an economic driver for many of our rural communities who have concessionaries, restaurants, hotels. People who are into snowmobiling in a big way spend a lot of money. And accordingly, it's a significant economic benefit to the province.

**Mr. Brkich:** — Yes, that was probably the biggest concern I heard was they were scared that it was . . . The \$40 fee was I think we talked about last year, was a little bit of a shock to some of them, you know, out in my area. I guess every area's different. I mean, we don't have a snowmobile trail. I don't even know where the nearest one would be. I don't think they start till we start getting into eastern, northeastern Saskatchewan. And then they're worried, yes, that there was going to be an increase in that, that they were basically going to have to be funding all the trails, you know, basically for the North, northeastern part of the province, that the cost would be going up because my area, a lot of them, some of them use the trails, but not a lot.

But every area is different. I mean where we are, it's pretty wide open, and we had lots of snow where we were. You know that from the flooding we had. So there was an abundant amount of snow so I don't think the trail, the snowmobile association . . . Maybe other parts of the province were a little different this year, but out our way we had lots of snow, so I don't think there'll be an increase in snowmobile registration at that. So they're probably going to be looking at not ever topping 500,000 every year. Maybe they will, maybe they won't. It depends maybe on year to year, but at that end of it.

How many trails are funded by this 550,000?

**Hon. Mr. Serby:** — There's about 10,000 kilometres of trail in the province. And how many clubs? I don't know that off the top. My sense is that there's somewhere between 20 and 30 clubs in the province. I stand to be corrected; I'm told that there's somewhere in the neighbourhood of 50 to 75 clubs in the province.

**Mr. Brkich:** — They all have their own trails then, this 50 to 75 clubs?

**Hon. Mr. Serby:** — Yes, and they have their own packing equipment and trail-making equipment, and most of that's volunteer.

**Mr. Brkich:** — They look after their own grooming. Because if I remember right, before this funding went into place, the government supplied the grooming before, did they? Or the equipment? Is that how it worked before this funding went in? How did they . . . They just did it strictly under volunteer work then . . .

**Hon. Mr. Serby:** — Yes.

**Mr. Brkich:** — . . . if I understand.

**Hon. Mr. Serby:** — Yes, and they also were provided on a couple of occasions with some support dollars to assist them. So SGI provided them I think with two tranches of money over the last, say, five years. I think one was for \$100,000. We provided them some dollars from our department earlier in the year; I think it was for \$25,000. So they've had a couple of tranches of money over the last couple of years to help them with their registration fees, and then we provided with some dollars to help them groom their trails.

**The Chair:** — I guess then the questions being exhausted for



the time being from Mr. Brkich, I'd thank the minister and your officials for appearing before the committee, and we'll look forward to the next time you appear in this setting. I'll call a brief recess while we get the Department of Labour all queued up for their estimates. But with that I thank you, Mr. Minister.

**Hon. Mr. Serby:** — Thank you to the member for voting off our . . . [inaudible interjection] . . . Oh we didn't vote it off. Okay. Okay. Thank you very much.

**General Revenue Fund  
Labour  
Vote 20**

**Subvote (LA01)**

**The Chair:** — All right. We'll call the meeting to order, and we'll ask the minister first off to introduce himself as we commence consideration of his estimates. And if you could also introduce the officials with you, Minister.

**Hon. Mr. Forbes:** — Thank you very much, Mr. Chair. It's a pleasure to be here today to introduce you to the Department of Labour officials who are joining us today. I have Bill Craik to my right, deputy minister of Labour; Jim Nicol to my left, assistant deputy minister; John Boyd, executive director, planning and policy division; Doug Forseth, executive director of labour relations mediation division; Eric Greene, director of labour standards; Glennis Bihun, acting executive director occupational health and safety division; Nadine Sisk, acting executive director, Status of Women office; Kevin Kuntz, director of finance and administration; Margaret Halifax, director of Office of the Worker's Advocate.

And also with us today from Workers' Compensation Board, Peter Federko, chief executive officer, Workers' Compensation Board; Gail Kruger, vice-president prevention, finance and IT; and also from the Labour Relations Board, Melanie Baldwin, board registrar.

Now before we begin, I wonder if I might be given the opportunity to take a few minutes to share some department highlights with the members. This year's budget provides \$1.1 million increase in support for the department's work which is good news for the province as a whole. It's good news because the Department of Labour works with both employers and workers to improve the health and safety in Saskatchewan's workplaces.

The importance of this work became evident earlier this year when each and every one of the 72 miners trapped underground by a fire in their Esterhazy potash mine emerged unscathed. The safe return of those potash miners placed Saskatchewan at centre stage as a world leader in the protection of its workforce. The department along with the mining industry and the miners themselves should be very proud of that.

This year's budget will also help support the continuation of the department's work to improve work opportunities for Saskatchewan's residents. In the commission report on Improving Work Opportunities for Saskatchewan Residents, this government received 25 recommendations to help improve the lives of Saskatchewan's people who struggle to obtain

employment that will enable them to adequately care for themselves and for their families. The 2006-07 budget also provides the financial support required to review The Workers' Compensation Act.

The committee of review which I announced last month will look at The Workers' Compensation Act and regulations as well as the administration of the Act. This periodic review is conducted by a committee with equal representation from both employers and employees. Their work, which will include public consultation, is important because the modern workplace is constantly changing, and we need to ensure that our compensation system changes with it.

The committee of review will begin its consultations this fall, and I hope to receive their report by the end of the year. I look forward to seeing what new suggestions they present for ensuring that Saskatchewan continues to provide an up-to-date compensation system that is fair and responsive.

The Department of Labour always does important work, and thanks to this year's budget, the department will enhance its ability to pursue prosecutions and situations for offences against its occupational health and safety legislation . . . merit that serious step. And I look forward to making additional announcements later this year about the ways in which the department will use some of its additional funding to enhance its operations of our labour standards program.

The coming year will be a good year for Saskatchewan and a good year for the Department of Labour. And I look forward to answering any of the questions that you may have. Thank you, Mr. Chair.

**The Chair:** — Thank you, Mr. Minister. I'll turn the floor over to Mr. Krawetz.

**Mr. Krawetz:** — Thank you very much, Mr. Chairman. And, Minister Forbes, welcome to you and your officials. I know that this afternoon the timeline has been adjusted from what we first thought, so we'll get into some general topics today before we have the opportunity to maybe become a lot more specific with some of the questions that I will put forward.

Mr. Minister, I note that you began with the topic that I was going to start off with, which of course is the general budget. And you noted that the increase for the budget for Labour has changed from about fourteen and a half million to fifteen and a half million, that increase of \$1 million. And I note that the central management and services vote that we will be doing — the very first one — the bulk of the money, that \$1 million additional funding that has been provided to the Department of Labour has been put into that sector. I think it's around \$600,000.

Could you indicate what additional tasks will be performed by the central management and services agency to require that 60 per cent of the increase to your department under estimates is going to that one specific (LA01) vote?

**Hon. Mr. Forbes:** — Thank you for the question, and it's really important. As you say, the work that we do is critical and how we spend our money. And I might ask Jim to give more

details, but of course the bulk of that will be through The Workers' Compensation Act review that we've allotted about 300,000 for that. There's also salary adjustments that have been part of that as well, and so that will be the bulk of the \$600,000. There are more details than that, and Jim if you want to speak to some details.

**Mr. Nicol:** — Thank you, Minister. As the minister said, the bulk is \$300,000. Of that is for the statutorily required Workers' Compensation Act review. The balance, sir, is essentially from salary adjustments which were part of the collective agreement increases. There was a reclassification system for out-of-scope employees as well. And we also received, essentially, a general-across-the-board inflationary increase for operating expenses. So essentially that covers it all.

**Mr. Krawetz:** — Thank you very much, Mr. Nicol. Second question then is regarding the Workers' Compensation review that's going to take place. You indicated that the budget is approximately \$300,000. Will there be any additional costs that will be the responsibility of the actual Workers' Compensation Board, or is this the entire cost that you estimate?

**Hon. Mr. Forbes:** — This will be the initial costs. I mean, there may be other in that . . . I'm thinking of the following year, you know, when we take a look at what the actual recommendations are, the costing of that or can we do the costing within the \$300,000 that we have right now. But at this point this is where budget allotment is.

**Mr. Krawetz:** — I have some additional questions that I'd like to ask about the review but I just want to spend . . . one more question on the full-time equivalent, the staff component. I note that the staffing component for your department is going to increase by three. Could you indicate whether, which areas the three additional people will have duties?

**Hon. Mr. Forbes:** — What that will be, and I alluded to them in my earlier remarks, but one is the dedicated prosecutor in terms of the occupational health and safety. So where we need to take that more serious step in the prosecution of significant infractions, then that's where we'll be looking at. And the other one we'll be making more announcements later in the year in terms of the compliance review unit and work in that area that we feel is very, very important in terms of labour standards. Two in that second one and one in the occupational health and safety.

**Mr. Krawetz:** — Do I hear you correctly? You have stated that two will be employed in the area that will deal with the compliance review?

**Hon. Mr. Forbes:** — Yes that's right.

**Mr. Krawetz:** — Okay, thank you, sorry, I missed that. Mr. Minister, you've indicated that you have established a new committee to do a review of the Saskatchewan Workers' Compensation Board.

Could you indicate when the last review was completed, the actual date of the last report, and a brief summary if you would of some of the recommendations that the report put forward. Has your department acted on all of those recommendations,

some of those recommendations? Give us an understanding of when the last review took place and what has been the result of those recommendations put forward by Mr. Dorsey.

**Hon. Mr. Forbes:** — Right. Now I'll be asking Peter Federko from the Workers' Compensation Board to come up and give the specific dates and some of the more details than that.

I think that, as we get closer to the work that Mr. Dorsey will be doing, we'll be looking at all the recommendations he had. But some of the ones that I think have been significant, when you took a look at some of the ways that we can improve services, and one that had struck me as a new minister was around the fair practices office, that while not a direct recommendation but through Mr. Dorsey's work really shone a light on how we could do things better. So we're happy with that, and some of the new strategies around the Worker's Advocate as well that have improved services for people.

But I'll ask Peter to come forward. Here's Peter right here. So there you go.

**Mr. Federko:** — The last committee review completed its work in 2001 and delivered to the minister their report, which included, I believe, around 48 recommendations, some of which called for changes in legislation. For example they recommended that the maximum compensable and insurable earnings be increased from the then \$48,000 to \$55,000. They recommended that the permanent functional impairment awards and independence allowances be increased.

They also made some recommendations with respect to the administration. For example they recommended that our outcomes of our early intervention program be published annually. They recommended that a review take place of the early intervention program. And I'm happy to say that of the recommendations, other than a couple that it was decided not to move on at all . . . For example they did make recommendations to have a fair audit conducted by the Ombudsman, and our implementation of that amounted to, as the minister alluded to, the introduction of a fair practices office as opposed to the fairness audit.

But we have acted on all of the administrative recommendations that were made by the last committee review. We have successfully implemented.

**Mr. Krawetz:** — Thank you, Mr. Federko. Another question related to that review, when you indicate that the bulk of the recommendations were acted upon, do you have an outline or a summary — progress report if you might — on those recommendations and the outcomes of them? Is that summarized in a document that you can share with myself?

**Hon. Mr. Forbes:** — I've actually seen a document to that effect, and I'll ask Peter to give a more of a definitive answer on that because we'll be preparing something more on that I think.

**Mr. Federko:** — We do have a status report that we have completed that addresses the actions taken or in action on each of the recommendations.

**Mr. Krawetz:** — Good, I'll look forward to that at . . . maybe

your next visit if you would be able to supply that.

Mr. Minister, one of the sections of the Act indicates that at least once every four years there has to be that review. And the reason I asked the question about the date is that the report as I understand was published by May 15, 2001, and the report was . . . Or I should say the committee members were selected by May 15, 2001, and their report was published by December 31, 2001, as I think you have indicated, Mr. Federko. So that period of time, a four-year period from the actual report being received, would have been December 31, 2005, in a four-year period. The Act states that that must occur within that four-year period.

I note, Mr. Minister, that you in this spring have indicated that there's going to be a new review, and you have established that committee. Is that outside of the Act or is there something that I'm not reading within the Act that allowed you to go beyond the four years?

**Hon. Mr. Forbes:** — Well my understanding — and I think this is sound — is that the process of selecting the committee members and all of that had actually started a year ago. And so that, we would think, would be part of the timeline. You know it's a significant part of the process, is making sure that the stakeholders, the employers, and the workers, are represented in that whole process. So I think within that we are, we're meeting the intent of the Act, and it's important to do that.

But it's critical that we do have a timely review every four years and so . . . But part of that I would think was selecting the committee members so.

**Mr. Krawetz:** — A question on your committee now that has been established: is it fully operational, and when do you expect the first draft of Mr. Dorsey's next report?

**Hon. Mr. Forbes:** — Well I'll be meeting with Mr. Dorsey and the committee members in early May. We've set up those initial meetings. They're working together. And Mr. Dorsey comes with, you know, a strong background in this area so he really knows how to get down to brass tacks and get to work on it.

So the consultations will happen in the fall, and we anticipate that a draft report would be December, early January, and we'd be within the calendar year. I think that's a timeline that we see happening.

**Mr. Krawetz:** — Thank you, Mr. Minister. Mr. Minister, do you have a listing of the members that are making up the new board that you have appointed? And would you be able to share that if you have it, with this committee?

**Hon. Mr. Forbes:** — Do we have one with us today? But we could definitely get one for you.

**Mr. Krawetz:** — That's fine.

**Hon. Mr. Forbes:** — We'll get one, we'll definitely get one to you.

**Mr. Krawetz:** — I appreciate that, thank you very much. Mr. Minister, one of the, I guess, largest lobby group has been

representatives of the injured workers. And they have been asking that, I guess, a member of that group be included in this committee. And I know that they did that back prior to 2001 and I believe that they have continued that lobby.

Are there any representatives that will be technically representing the injured workers advocate group?

**Hon. Mr. Forbes:** — I think that both the employers and the workers . . . But I would say that the workers definitely represent the interests of the injured workers. And I know and I appreciate the comments that have been made by the injured workers group. And it's one that we've taken a lot . . . I've thought about. But I know and I'm confident that the organizations that represent the workers — I mean, their interests that they advocate for very strongly — they want to make sure their colleagues in the workplace are safe. And if they are injured that all that we can do through the Workers' Compensation Board system, all the services are there for them.

So I'm very confident that the workers will represent the injured workers. I know that . . . Well I'm really confident that will happen. And I know the employers are as well, that it's in their best interest as well to make sure that their workers are treated as quickly as they can be.

**Mr. Krawetz:** — Thank you Mr. Minister. Well I don't doubt that, you know, the people that are on the commission and on the review board will be doing utmost to ensure that a wide, broad range of concerns and people are fairly represented. It just is a concern that has been raised over a period of time . . . and there seems to have been some general, general attitude or reaction to that request that there might be at this go-round a representative who would specifically be selected from that group. And by your answers thus far I'm led to believe that of course that has not happened in this particular board that you've set up.

**Hon. Mr. Forbes:** — That's right. And I would say — and I feel very strongly about this — the public consultation process where the injured workers will make . . . I anticipate that they'll make their cases, bring their cases forward, that's a very, very important venue. And often people may think that you have public consultations and we don't take much from them. In fact that's the very opposite. The input is valued very much. And if we didn't have that venue in public in front of people, people hearing each other cases, I think that would be an unfortunate thing that if all . . . that we missed that but . . .

**Mr. Krawetz:** — Thank you, Mr. Minister, and I agree with the public consultation aspect of the review board. And obviously that will give the opportunity for the various people representing the injured worker's group, those who advocate on behalf of those injured workers, to obviously you know make their presentation and raise the concerns that probably are best recognized by that group. You know it's always beneficial to hear directly from people that are involved and have been through the various concerns that are there.

While Mr. Federko is at the front here, I want to turn then to the recommendation of the last Dorsey report and if I could ask Mr. Federko to explain the process of appeal at WCB [Workers' Compensation Board]. Because since, since becoming the critic

for this area, if I look at the files and the concerns that people have raised, the majority of those are of course at the appeals level. And I know that you and I have had some discussions about appeals. And I would like for the record if you could indicate the process that an injured worker has for appeal of decisions made at the WCB level, if you could.

**Mr. Federko:** — Certainly. The first option that the worker has that we encourage that they pursue is to actually discuss the matter with the case manager or claims entitlement specialist or the team leader responsible for that particular work area and ask them to apply reconsideration to their decision.

That failing, the injured worker has the opportunity to appeal to our first level of appeal, which we call our appeal department, which is a group of senior adjudicators reporting to the CEO's [chief executive officer] office — so they're independent from the initial decision, have not been involved in the adjudication or case management of that initial decision — to take a look at the correctness of the decision rendered by the case manager or claims entitlement specialist within the existing legislation and policy.

If the appeal department does not rule in favour of the worker's appeal, in other words upholds the initial decision, the worker can then appeal to our final level of appeal which is to the board itself. So our three-member board functions as the final level of appeal. Typically, and it's becoming more so these days, the worker will request a hearing with the board members, generally two of which will sit in on the appeal, collect all of the evidence, and then rule on the correctness, in their opinion, of the appeal committee decision.

That failing, the worker . . . If there is an underlying medical issue that is leading to the dispute or disagreement, the injured worker can request a medical review panel, which is really the ultimate final level of appeal. Providing the worker can get a medical certificate from their caregiver explaining the underlying medical condition to be examined, then an independent panel of physicians looks at the underlying question and renders a decision. And that decision is binding on both the injured worker and the board.

**Mr. Krawetz:** — Thank you, Mr. Federko. When you indicated that there is an independent panel of medical specialists, how are the specialists selected?

**Mr. Federko:** — The Chair of the medical review panels are selected by the board, by the Workers' Compensation Board, from a list provided by the Saskatchewan Medical Association. The other members of the panel are selected by the injured worker.

**Mr. Krawetz:** — Could you indicate how many members would make up that independent review?

**Mr. Federko:** — Typically three.

**Mr. Krawetz:** — If I could back up one step, when you talk about the board of appeal at your board level and you talk about the fact that there are three members, how are the three members, how do you rotate through to determine which members will hear which appeal?

**Mr. Federko:** — The primary responsibility for hearing appeals rests with the stakeholder representatives, being the employer and the worker representatives, so they are the primary judges if you will at that board level of appeal. And on occasion, the chairman, about between 20 or 30 per cent of the time, the chairman will also sit in or be the alternate should a board member be away on vacation or some other matter.

So typically it's left to the stakeholders, to the employer representative and the labour representative of the board to determine the appeal. The Chair is always there as the deciding vote if that is necessary. And on complex, more complex issues, the Chair himself will also sit in on the appeal. So all three of them will typically be there, but the majority of the appeals are heard by the employer and the labour representative.

**Mr. Krawetz:** — When an individual has proceeded through the first two steps — the case manager and your appeals department of independent people that have not been involved in the case — and they are still wanting to pursue an appeal to the next level which is the board of appeal, what time frame will occur from the request by an injured worker until there is an actual hearing that takes place? Is there any range of time that you can indicate that has been a practice and whether that is changing?

**Mr. Federko:** — Our objective at the board level is to have a decision rendered within 120 days from the date of receipt of the appeal. For the year ended 2005, on average appeal decisions at the board level were rendered at around 95 days. That compares historically to over 180 days to render decisions so it's been reduced significantly over the last three or four years.

**Mr. Krawetz:** — Could you indicate that at the present moment, how many cases would be at that level of appeal where there would be a board of appeal that has, is either being put together or has concluded its hearing but has not rendered a decision. How many decisions are pending?

**Mr. Federko:** — Boy, I don't know with certainty that number. I can tell you on a monthly basis the board renders between 25 and 30 appeal decisions. There will be — because on average again decisions are rendered in about 90 days — there will always be a bit of a backlog that is waiting there. But I'm sorry; I don't know that number off the top of my head. I can certainly get it for you.

**Mr. Krawetz:** — Yes, I would appreciate that for our next visit, if you could give me an idea as to how many cases are dealt with. You've indicated that number's 25 to 30, and whether that is a number that is increasing or decreasing based on how the appeals have been heard thus far.

One of the recommendations in the Dorsey report of 2000-2001 was of course to create an independent appeal, and from my understanding — and the former minister responsible for Labour is sitting in the room as well — I understand that there was some indication that that may be a process that should get investigated and looked at, and it was recommended by the Dorsey commission of five years ago. Obviously to this date nothing has changed regarding that recommendation. Could you indicate whether or not that . . . Or not whether or not,

obviously it's a not. But what are the reasons why you haven't looked at an independent appeal beyond Workers' Compensation Board level?

**Mr. Federko:** — I can't really speak to why the decision was made not to proceed with mandating an independent appeal body. What the committee of review is asking for and the previous Dorsey report, is actually legislation that required the establishment of an independent appeal body.

I can tell you that we were asked to conduct some research that provided interjurisdictional comparison of the different appeal formats across the country within the workers' compensation system from a customer service perspective, from an administrative cost perspective, from a governance perspective, and so on and so forth.

My understanding is that, having provided the information subsequent to the minister receiving the last committee of review report, there was further consultation that occurred with the stakeholders. And my understanding was, having received our research relative to the costs and service levels of independent appeal bodies, that there was not consensus among the stakeholder group that there would be added value from moving to an independent appeal structure, weighed against the additional costs associated with establishing an independent appeal body.

But as I say, that was a decision made within that stakeholder community, and we only furnished the information. But I can tell you that relative to other jurisdictions who do have independent appeal bodies, our level of service is significantly better and far more cost-effective and perhaps that weighed into the stakeholders' decisions.

**Mr. Krawetz:** — Mr. Federko, would you be able to supply — especially Western Canada — a summary of Western Canadian provinces regarding the appeal procedures that those provinces have. You've said that someone has done that research for you. Would you be able to supply that at our next opportunity, Mr. Minister?

**Hon. Mr. Forbes:** — Yes. Now if I may just from my perspective on this too that, you know, and as an MLA [Member of the Legislative Assembly], private member, and from my vantage point now as a minister and seeing the kind of work that has really improved the services that Workers' Compensation Board has done in terms . . . I alluded to the fair practices office, the work with the Worker's Advocate, the appeal process, and the streamlining which many of the, you know, stakeholders really wanted to . . .

And I was quite struck by some of the surveys, and I'll ask Peter maybe for the hard numbers on this, but the surveys we do with our clients and their satisfaction with the process. And it's quite significant. And so it seems to be meeting the needs. And while we always strive to do as best as we can and of course this committee of review will highlight some of the areas that we can go into, that there is a significant satisfaction rate. I think it's over 80 per cent. And clearly when you're meeting four out of five workers' needs, that's a very good job that's being done by the board.

**Mr. Krawetz:** — Thank you, Mr. Minister. And I don't disagree with you. I mean those are statistics that have been shared by Mr. Federko in past years. But since you've become minister and I'm sure since Mr. Federko has maybe shared some of those concerns, there are still a number of people who have gone through the appeals procedure and feel that "fairness" quote is not there because the initial jury and the final judge is one and the same. And there is that concern that an independent review should still be allowed.

And I guess when we look at our judiciary system in this country and we look at the avenues of appeal for each level, we move to a new independent group that will hear the concerns as well. And you know, whether or not the injured workers who have these concerns through the public hearing process will try to convince Mr. Dorsey to include that recommendation again in the report, I mean, I don't know that. But I do know that the files and the different workers who have come forward with concerns are all unanimous in that respect — that they feel that there's a level missing.

Now whether or not that's missing in all provinces . . . You know, that's why I'd like to see that kind of research and where we might go because clearly there has to be an avenue of redress. And if there isn't an avenue that is deemed to be outside of the Workers' Compensation Board, the injured worker in this case is still deeming that they have not been dealt with fairly.

So I look forward to that response. I know Mr. Hart would like to ask some questions in the remaining few minutes. So if I could, Mr. Chair, I'd like to turn that over to Mr. Hart.

**The Chair:** — Certainly.

**Mr. Hart:** — Thank you, Mr. Chair. Minister, I was looking at your organizational chart for the department. And I noticed under the occupational health and safety division, which is responsible for quite a number of units including workplace safety units, occupational hygiene units, radiation safety unit, and mine safety unit just to mention a few . . . there is a risk management and toxicology unit . . . But what caught my attention was that the executive director of the division is listed as an acting executive director. And I was just wondering how long this situation has been in effect. How long has this individual been in an acting position? What are the plans to have a permanent executive director of the division?

**Hon. Mr. Forbes:** — I'll get Jim to answer that. But first, before I go on to that, when I've walked about and met the people in occupational health and safety . . . It's hugely important, and it's an area, and one that people bring a lot of skills and talents. And it's one that when you talk about mines or toxicology, it's a critical piece. And so it's an important area. But I'll ask Jim to give you the details to your answer there.

**Mr. Nicol:** — Yes, thanks, sir. The incumbent executive director, Mr. Walker, has been on a leave since the first of December '05. And so in that time period, or since that time period, Glennis Bihun, who was the manager of the strategic partnerships branch and essentially the 2IC in the division for the past couple of years, assumed that role on an acting basis. And so she continues to do that on an acting basis until Mr.

Walker's leave has been finalized or a decision made in terms of, you know, if he's deciding to come back.

**Mr. Hart:** — You said Mr. Walker's on a leave of absence from the department, and it sounded from your answer that it's uncertain whether he will be returning to his position or not. And it also doesn't sound as if there's any definite end date to the resolution of his decision. I wonder what the situation is here because, as the minister's indicated, this is an extremely important division within the department. And you know, I guess, I have had some individuals express some concerns that there is uncertainty in leadership of the division. And I was just wondering, you know, do we see a resolution to this situation in the near future?

**Hon. Mr. Forbes:** — Well we're going to be working as hard as we can to . . . I mean when you're dealing with personnel matters, it's always very important that we, you know, work through due process and all of that. And so I'm not sure if there's much more that I can say than that. But it is one that, as I said and will say again, it's a critical part of our mandate, so. And my deputy minister has advised me that, you know, within the next few months we expect this to be resolved, so.

**Mr. Hart:** — Well that's, you know it's good to hear because as I said I have had a few individuals draw this to my attention. And they in fact expressed some concerns that perhaps, you know, some of the supervisory duties and so on and the leadership of that division may not be . . . With all the uncertainty surrounding the executive director's position that they felt that perhaps could impact on some of the work within the division.

And as you indicated, it is an extremely important division within the department and deals with many complicated . . . or many areas from mines to radiation to the normal workplace and so on. And I guess the individuals that have raised concerns, you know, are wanting, you know, this leadership of this division, you know, to be resolved fairly soon. And that if Mr. Walker is not returning that every effort be made to make sure that whoever replaces Mr. Walker is certainly has the expertise and the training and so on to fill the position. And so I was asked to present those concerns to you, Minister, and ask, you know, for your response to these concerns.

**Hon. Mr. Forbes:** — I think that, you know . . . and there's not much more that I can say. But I do want to underline that I have complete confidence in the department, in the staff. And I've met them and seen the work that they're doing. And both on the individual basis, their deep commitment to the workplace, making sure that it is safe, is very important. And, you know, as in the department in terms of . . . or our branch, the commitment to innovation and . . . You know we've just received a major report from the Occupational Health and Safety Council that will require a lot of work, and I've got to say that very professional and very committed to the challenges we have in the changing workplace that we have in Saskatchewan.

**Mr. Hart:** — Minister, you feel that the person who was currently filling the executive director position — I was just looking — you mentioned earlier that this individual was the second-in-command of the occupational health and safety division. I see this individual comes from the partnerships and

strategic programs unit within that division, and yet a large part of the occupational health and safety division is enforcement and inspections and those sorts of things. But you feel confident that the leadership you have within the division currently, the people in the workplaces of Saskatchewan are being well served. You're of that opinion?

**Hon. Mr. Forbes:** — Very much so. And I think, you know, whether it's inspections or enforcement, that's all part of compliance. And what we have is a set of regulations that we aim for full compliance. And so there's a lot to that area . . . of how do we get full compliance in the workplace? And I think too that as we get to more fully understand some of the challenges in making our workplaces more safer, we have our different backgrounds, and one of them is in health. And we have to do more work in that area. And so the current acting executive director brings a lot of experience from that area. So I think this is, you know, I'm confident and I think that we're doing good work.

**Mr. Hart:** — The reason I raise this when it was brought to my attention is that there was a situation two or three or four, probably four years ago within what used to be the old Department of Municipal Affairs. There was an inspections branch. And I had a former employee of the boiler inspectors come to me with some very serious concerns about leadership within that whole area. And in fact it caused a lot of uneasiness and unhappiness within the inspections branch.

And it had to do with . . . the contention was that the leadership was, the individual didn't have the qualifications, the training, and experience to head up that particular unit. And when the concerns were brought to me and I looked into it, you know, I was hoping that it's not a similar situation.

But I felt that it was incumbent upon me to raise these issues because of the previous experience where, after the issue was raised, there was a change in leaderships within, and it seemed to at least resolve some of the problems within the unit. And things have, I believe, settled down, and people are staying in the positions much longer. And I just wanted to make sure that we don't have a reoccurrence of that situation within this department.

And I understand from your assurances everything is being well looked after, and the working men and women of this province can feel confident in the occupational health and safety division. This is what I'm hearing this afternoon.

**Hon. Mr. Forbes:** — Very much so.

**Mr. Hart:** — Thank you.

**The Chair:** — Thank you very much, Mr. Hart. With that I guess I'll thank the minister and his officials for coming out this afternoon. And we'll see you back again as we further consider your estimates.

And I will now entertain a motion to adjourn. Thank you very much. All in favour? Opposed? This committee stands adjourned.

[The committee adjourned at 16:57.]