



STANDING COMMITTEE ON THE ECONOMY

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**STANDING COMMITTEE ON THE ECONOMY
2007**

Mr. Kevin Yates, Chair
Regina Dewdney

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 18:58.]

The Chair: — Thank you very much, committee members. The first item of business we're going to deal with tonight in the Economy Committee is a referral for public hearings made by the Minister of Intergovernmental Affairs. Committee members will be aware of this issue. We've had the opportunity to have individual talks or discussions about this over the last week or so.

So do we have a motion to in fact . . . The process is when a minister refers an issue to us, it's the responsibility of the committee to determine if they want to undertake that work. So do I have a motion?

Ms. Hamilton: — I would move:

That at the request of the Hon. Harry Van Mulligen, Minister of Government Relations, dated April 25, 2007 and pursuant to rule 146(2), the committee inquire into the state of internal trade in Saskatchewan; including trade, investment, labour, and mobility barriers, and the impacts or potential impacts of the Agreement on Internal Trade and the Trade, Investment and Labour Mobility Agreement.

The Chair: — Thank you very much, Ms. Hamilton. Are there any speakers on the motion? Seeing none, all those in favour? Opposed? That is carried unanimously.

Committee members, your steering committee, in conjunction with the Clerk's office, has worked through some of the preliminary agenda and as well as timetable for the hearings in order to be able to have those public hearings and report back to the minister in the timeframe in which he's requested. And later this evening we will have a discussion on that timetable. In the meantime we will hand out the agreements to everybody so that they can have an opportunity to review them prior to the meeting. Discussion on this issue?

At this time I'd also like to point out that we have a substitution tonight for the member, Eldon Lautermilch. The Hon. Maynard Sonntag will be substituting for him for the consideration of the estimates of the Forestry Secretariat.

We will also have a substitution. Mr. Stewart has authorized Mr. Hart to substitute on his behalf in this evening's meeting for consideration of the estimates before the committee.

Committee members, we will have a few minutes before our first witnesses are before us. Is there any items that the committee wishes to discuss? Seeing no issues, we will recess for approximately five minutes. Thank you.

[The committee recessed for a period of time.]

**General Revenue Fund
Forestry Secretariat
Vote 79**

Subvote (FR01)

The Chair: — Thank you very much, committee members. I'd like to reconvene the meeting. We have before us the consideration of the estimates for the Forestry Secretariat, vote no. 79. We have presenting the Hon. Eldon Lautermilch, the minister responsible. Mr. Lautermilch, will you please introduce your officials to the committee.

Hon. Mr. Lautermilch: — Yes, I would. I want to first of all thank the committee for inviting us to estimates for '07-08. This is the first year for a vote on the forest secretariat as it's just recently been established. I would at the outset like to introduce my official, who is the CEO [chief executive officer] of the forest secretariat, Mr. Kent Campbell.

We are in the process of establishing the secretariat as a stand-alone agency. As I've indicated, this year's budget is to facilitate the growth and development of the forest industry in Saskatchewan. The secretariat intends to work closely with other agencies to develop and deliver policies and programs to enhance forest industry competitiveness, to increase investment in the provincial forest industry, to facilitate value-added production in the forestry industry as well. More specifically, the secretariat will lead provincial efforts to facilitate the reopening and redevelopment of the Prince Albert pulp mill and associated assets. Other facilities currently going through transition as well including the Carrot River Sawmill and Hudson Bay plywood mill.

In addition, Mr. Chairman, the secretariat will work closely with Sask Environment to respond to recommendations included in the Premier's task force report on forest development and the Minister of Environment's task force report on forest industry competitiveness. The focus of this new agency is on the business development and investment attraction related elements of our forest industry. It does not have the responsibility of the broader aspects of ensuring sustainability of forest management in our province. Those responsibilities will remain with Sask Environment.

The secretariat has been established to enhance forest sector development during this period of, I would have to say, unprecedented transition in the North American forest industry. We have, through this transition, a unique opportunity to restructure our industry for long-term competitiveness. And that's exactly what we intend to do with the secretariat.

As I've indicated, Mr. Campbell is the CEO, the new CEO of the secretariat. He has some background in economic development initiatives in our province within the civil service. He has just joined the secretariat as the permanent head two weeks ago. I should also say that he is the secretariat's only employee. The mandate in this year's budget is for, I believe, five full-time equivalents. He is in the process of selecting people to work with him through the course of this year. So I want to thank you, Mr. Chairman. I look forward to your questions and hopefully we can respond to the direction of this new initiative within our government.

The Chair: — Thank you very much, Mr. Minister. With that I will now open the floor to questions. I'll recognize Mr. Kirsch.

Mr. Kirsch: — Thank you, Mr. Minister. And good evening,

Kent, and a pleasure to meet you. My questions are concerning of course the forestry situation and I'm wondering with all this, Weyerhaeuser being shut down and all, what's the situation with the undercut. Where are we at?

Hon. Mr. Lautermilch: — Well part of the forest management agreement is that they will file a one-year plan, a five-year, and of course a longer-term plan as part of the FMA [forest management agreement] arrangements. And part of what they do, I can speak tonight in general terms about the operations. This secretariat is not specifically designed to answer detailed questions in terms of the operations of the forest management agreement, rather to work within the context of the licences to operators to ensure that we're maximizing economical development opportunities and job growth, and value-added opportunities here in Saskatchewan.

In terms of the day-to-day operations of Weyerhaeuser, that is not the role of the secretariat. Obviously we don't have Sask Environment officials here to be able to offer detailed answers for you as it relates to that type of question. But I am sure that the Minister of Environment will be able to have his officials work to satisfy detailed questions.

This is a secretariat that was established specifically for the forest industry because of the difficult economic times that this industry is facing across North America, Saskatchewan as well. So that would be a question that would in all likelihood be best addressed to the Minister of Sask Environment when his estimates are up.

Mr. Kirsch: — My question was though on the undercut. How much have we cut as compared to what we cut last year?

Hon. Mr. Lautermilch: — That would be the question that you would ask Sask Environment. As you will know, Carrot River saw mill has been down. The Hudson Bay plywood plant has been down. You will know that we haven't been producing pulp for a year. You will know that we haven't been producing paper for a year. You will know that the Big River saw mill is down. You will know that the Wapawekka saw mill is down. Carrier Lumber continues to operate. The La Ronge saw mill continues to operate.

I don't have that kind of detail. I can give you rough numbers in terms of what the consumption of those are because I happen to have just looked through them recently and have them here to give you, you know, a rough idea. But I can't give you the undercut. I don't have those figures here, as you can tell. The benches aren't full with officials who have that detail here.

This is a secretariat, a stand-alone entity, not responsible for the inventory, not responsible for the management of the forest management agreement, but responsible for the larger overall economic picture of developing our forests in the province.

Mr. Kirsch: — But if you're looking after the forestry, not looking at FMAs, I'm talking about undercut. How much was cut? How much less or how much have we cut?

Hon. Mr. Lautermilch: — Well you could ask me how much reforestation was done, and I can't answer that either because I don't have the officials here with those details. And Mr.

Campbell is obviously not equipped as the forest secretariat with all of the expertise that is in the Department of Saskatchewan Environment. And those will be questions that will be answered by those officials when those estimates come before this House.

Mr. Kirsch: — Well, Mr. Minister, if the secretariat doesn't know what's cut, what's your portfolio for? I mean the amount cut is so key to the forest industry. That's pretty basic, isn't it?

Hon. Mr. Lautermilch: — Yes. And I think, see, what you are describing is your lack of understanding of why the forest secretariat was established, I think your lack of understanding of the industry, and how the government . . . And for a seasoned member, I'm quite shocked at that.

You were aware of the mandate of the forest secretariat when it was established. You've been before Saskatchewan Environment estimates, asking detailed questions on the detailed operations and the cutting plans, the amount that has been cut, the amount that has been reforested. I would assume that you would recall some investigation of questions and answers in that process with that department who is responsible for that. The secretariat is not responsible for the day-to-day operations of the forest management agreement. That is the role of Saskatchewan Environment.

Mr. Kirsch: — Well, Mr. Minister, I also am shocked that a minister of your time in P.A. [Prince Albert] and your new department which is in charge of industry can't say how much has been cut. What's your department doing if they can't even say what's been cut? And they're, directly with industry, trying to determine what to sell, what to move. If somebody comes in there and they say, how many trees can we cut, and you'd say, I don't know.

Hon. Mr. Lautermilch: — I think, Mr. Kirsch, that is I guess another example of your lack of understanding of the role of the department. It's not a department. It's a secretariat. It's a secretariat that was established to put a focused eye on economic development as it relates to the forest industry, and to re-establishing the operations of an industry that's been under siege by North American markets that have caused the close of, I think, 40 plants in the last year, 100 over the last five or six years. It was established to work on a vision for forestry, working with the Premier's task force, and to attempt to search out potential investors to re-establish the operations that Weyerhaeuser had chosen to vacate some one year and a half ago. The shutdown was April 13 of a year ago.

We'd been working with industry in the past year and a half to develop plans, to develop an opportunity, a vision for the forest and to put together, if we can, arrangements where we will have these operations up and running again.

To ask detailed questions would be better posed to the Minister of Saskatchewan Environment, whose role it is to oversee the cutting plans, to oversee reforestation, to oversee the environmental stewardship within the forest management agreement, to ensure that the cutting plans are followed to the appropriate standards. That's not the role of a secretariat with a \$2 million budget and with one full-time employee at this point. And so obviously those questions would be directed to the

minister, Mr. Nilson, who has the appropriate officials to be able to bring forth the answers for you.

The Chair: — Committee members, I'd like and, Mr. Minister, I'd like to remind everyone to put your questions and your answers to the Chair. And it makes the meeting run much more smoothly. Thank you very much.

Mr. Kirsch: — Yes. Now because there is a lot of undercut from what we had, we can agree on that.

Hon. Mr. Lautermilch: — I can say to you that — and to you, Mr. Chairman — that I believe there was a fairly substantive undercut in the Prince Albert FMA in the past years. As you will know, there's a mixed forest stand, hardwood and softwood, and I can say to you that the agreement that was signed by the previous administration many years ago in the mid-1980s gave exclusive rights to Weyerhaeuser for about half of our forest in this province.

I can say to you that it was signed by a Conservative government who made a very bad deal on behalf of the people of Saskatchewan. We attempted to rectify that over the course of our term since 1991, but we still have a forest management agreement that in my opinion was designed to suit the needs of the industry as opposed to the needs of our province.

And part of what we're dealing with as part of that forest management agreement is the allowance for companies to cease operations for two years. We've now passed one year. We have one year to go on that, and I would want to say that . . . Was there an undercut? Yes, there was.

Would we want to maximize the opportunity for developing jobs and product in this forest management agreement in a new agreement? The answer is, of course we would. And that's what we've been working on for the past year. But we were tied to an agreement, forest management agreement, with certain limitations that allowed for an undercut.

And so, Mr. Chairman, what we're attempting to do is to rectify that. And we're attempting to maximize the opportunities for Saskatchewan people working in that forest through the work that the forest secretariat will be doing in the next year.

Mr. Kirsch: — Mr. Minister, I'm wondering if there's any outside companies? Are there arrangements being made for them to do some of the cutting to make up on this undercut at all?

Hon. Mr. Lautermilch: — Well I think it needs to be understood, Mr. Chairman, that the forest management agreement is right now under licence to Weyerhaeuser. Weyerhaeuser is now a company whose decisions are made in Tacoma, Washington, and we have to get permission to have people to go in and harvest. It has to be by the permission of Weyerhaeuser.

We have made some arrangements to allow some timber to be delivered to Carrier Lumber, some to Tolko in the Meadow Lake area. There's been some cutting around the Big River areas, the member will know, to satisfy the existing operations. And we've done that so that contractors — people who work in

the forest sector in the bush — can maintain some operations while Weyerhaeuser is dormant.

So the agreement has to come from Weyerhaeuser in that FMA, and we have been able to negotiate some agreements where they will allow some cutting to allow those facilities to operate with Prince Albert FMA timber.

Mr. Kirsch: — Now you're referring to the FMA as Weyerhaeuser. It has not been transferred to the Domtar name or . . .

Hon. Mr. Lautermilch: — Absolutely not. We would only intend to transfer a forest management agreement to a company with a business plan to operate assets that are going to create jobs for Saskatchewan people. I think you may agree with me; others in your caucus may not, as I've heard. But you may agree with me to transfer a forest management agreement to a company that has no operational plans wouldn't make any sense.

If and when there is an arrangement to have assets operational and people working, I'm sure that the Minister of Environment, whose responsibility it is, would be more than pleased to look at that business plan to determine the transfer.

Mr. Kirsch: — Thank you. Is there a timeline for this? Like, the negotiations with Domtar, have we got a timeline for when this is going to happen?

Hon. Mr. Lautermilch: — Well you know, it's important to understand that the Weyerhaeuser assets, former Weyerhaeuser assets which are now the assets of Domtar, are not controlled or operated by the province of Saskatchewan. We have a role and that is environmental stewardship. And the ministerial responsibility as it relates to the forest management agreement, part of that is the transfer from one company to another.

And we have been in discussions with officials from Domtar and from the newly merged company that brought Weyerhaeuser assets into Domtar assets. We've been in discussions with officials starting back to the day that Weyerhaeuser made their announcement that they didn't choose to operate the pulp paper facilities and saw mills in the Prince Albert FMA. That's been ongoing.

There's a new corporation that came into being on March 7, I believe, of this year. That board of directors has met. We've met with officials before that, and we continue to meet with this newly formed company's officials. Discussions are going on weekly. So yes, we continue to meet with them.

Mr. Kirsch: — Mr. Minister, does the government have any plans and implementation and effort to curtail the job loss in the forestry industry? What's the timeline and what are we doing there?

Hon. Mr. Lautermilch: — You know, I think it might be helpful if Mr. Campbell were to give the committee members an overview of the industry, the impact on jobs in North America, in Canada, and I think it would be important that we put the pressures on our Saskatchewan forest in the context of what's happening across North America. And so I'm going to

ask Mr. Campbell, Mr. Chairman, to give us a bit of an overview.

Mr. Campbell: — Thank you, Minister. The industry, as many of you know, is going through a period of major transition in North America and in particular Canada. We have four or five facilities closed in the province currently, significant ones of course, but it is not unique to our province. We have a roll-up of numbers that indicate the closures across the country between 2001 and 2006 — 17,000 direct workers unemployed in 85 communities across the country, 108 facility closures. And these are in pulp, paper, newsprint, lumber.

Certainly the priority for the secretariat has been focusing on getting buyers for the facilities in Prince Albert, Big River, as well as in Hudson Bay and Carrot River. That's certainly where the focus has been but we're not . . . I mean we're competing with other provinces as well. I mean you find that the workers displaced and the communities affected goes right across the country, from Atlantic Canada to BC [British Columbia], Ontario, and Quebec. So that's certainly going to be a key priority for the secretariat this year, is to continue to try and get those facilities reopened and redeveloped on a more competitive footing moving forward.

Hon. Mr. Lautermilch: — You asked specifically where the displaced jobs are going. I can tell you, knowing my community as I have and the people who've worked in that forest industry, that a number of them have found employment here in Saskatchewan in the uranium industry. A number have found employment in the potash industry. I can tell you that some of the logging contractors have found contract work in Alberta and British Columbia. I can tell you that some of the workers have found opportunities in plant shutdowns in Alberta. Some are working in the oil industry.

As you will know, steam engineers are at a premium — not only here but in other provinces. And it's fortunate that this industry is going through this kind of a cycle at a time when industries and economies are booming. So obviously there's been disruption and it's been difficult. Some of the smaller communities — Big River just as an example, Carrot River, Hudson Bay — some of these folks have . . . this is their off-farm income. So they don't have the opportunity, you know, to seek off-farm income outside of their community. So it's been difficult.

But there's been a number of different places where they've gone to work. But I think the positive thing in particular for the tradespeople — the steam engineers, the millwrights — those folks are very much in demand. The potash industry is going through a process of rejuvenation where many of their workers who began in the 1960s, '70s, are retiring, and so they're looking for tradespeople. The uranium industry has been expanding as you will know. The potash industry is expanding. And of course Alberta, the tar sands have been an attraction for workers, skilled and non-skilled.

So I think it's been a combination of where they've been going. But our goal is to ensure that the jobs for Saskatchewan people are here in Saskatchewan. And that requires the co-operation of Domtar who own these assets to — if they're not going to be operating themselves — to ensure that the assets are put on the

market at a fair value. And we can have the production move forward.

We've got a great forest. It's a great asset, as are our people. And that leads me to positive feeling about a good conclusion and having those operations up and running one more time.

Mr. Kirsch: — Now, Mr. Minister, you've mentioned the possible sale. Is Domtar willing to sell the P.A. and Big River plant? Is this feasibility or are they looking to open them or what's the situation there?

Hon. Mr. Lautermilch: — Well I think that's, you know, that's part of the direction they're taking from their new board, remembering that that board was established some six weeks ago now. Thinking it's taking some time for us and for them as we're in discussions to determine what in fact they believe would be their best course of action . . . we've talked about a number of different scenarios with them, and we've indicated what our position would be as a government. And I think it's . . . You know we're coming to a point where they will be making — I would assume — some public statements. And we continue to work with them remembering these are not our assets.

We don't sit, you know, on the board of directors for that company. They develop their own corporate planning. Our job is to ensure that we're good stewards of the resource which is the forest and that we're looking after the economy of this province and the people of this province, and that's the role we take.

Mr. Kirsch: — I'm wondering now, you talked before about the FMA that Weyerhaeuser has — the two years. What happens after two years?

Hon. Mr. Lautermilch: — Well I don't want to speculate a year out. A year's a long time you know. I think that Domtar is well aware that under the terms of the forest management agreement that the government would have a choice to make. It would be my hope that those assets would not be dormant for two years.

I can only say this. There will be no transfer of a forest management agreement to a company that has dormant assets. Would that make sense? I don't think so. And I can tell you that we have conveyed that to Domtar as we did to Weyerhaeuser, that we're looking for operational investors in this province. We're not looking nor will we support dormant assets. I don't think that would make sense from your perspective or from mine, and that's not something that we would choose to allow to happen.

Mr. Kirsch: — So it would still apply, the term that was used in P.A. was the two-year use it or lose it clause?

Hon. Mr. Lautermilch: — This was never, I don't believe, used in terms of the forest management agreement. I think it was, you're responding to what we said about the operations within the forest. If you don't use the forest, we will take it from that portion of your FMA and reallocate it. I think that's what was said, and we were renegotiating those forest licenses at that time.

The terms of the contract . . . I mean, look, the contract was written in 1986 under Grant Devine's administration, the former Conservative government. And in that contract, it's very clear . . . Some of the elements of the contract aren't that clear of the forest management agreement, but the one component that I can say that is very clear is a two-year dormancy period and that the FMA would revert to the Crown.

Now I'm assuming that that's not going to happen. I'm assuming that we have a willing seller or a willing operator and that that's where this will go.

Mr. Kirsch: — Thank you. During the 1999 election campaign, there was a phase 1 timber allocation to three different northern groups. What is the status of these three ventures?

Hon. Mr. Lautermilch: — I can't tell you that because I'm not responsible, nor do I have those details in terms of the allocation within the forest management agreement.

I can tell you what I do know what happened around 1999-2000. The Americans got very aggressive with respect to softwood lumber. And again I'm talking the larger picture because that's the area that I've been charged with responsibility for. There was a very aggressive lobby by American lumber companies which resulted in softwood lumber activities in the United States that created pretty much a difficulty for us in terms of accessing their market, as you will know.

In 2000 I think we had . . . I don't know the production numbers, but we had peaked. But there was a lot more room to grow in terms of the capacity of our forest. Since then we've had a softwood lumber agreement signed by Minister Emerson of the Conservative Harper government that's limited us to about 50 per cent of what our 2000 access to the American markets was in that year. So this is again another challenge for us.

We have our national government that traded away half of our historic exports to the United States — without consultation I might add — which is something we'd ask you to raise with your federal counterparts when you have an opportunity because if there's an opportunity to turn that around so that we get our fair market share here in Saskatchewan, we would be in very much better position to be able to ensure the stability of the Big River saw mill, the Wapawekka saw mill, and in fact to roll out perhaps some new expanded saw mill opportunities.

Mr. Kirsch: — Thank you. Can the minister explain the difference between the scope of duties that Tom Waller performed and the new CEO, Kent Campbell, will be performing?

Hon. Mr. Lautermilch: — I can. Perhaps Mr. Campbell would like to respond too. I'm going to ask him to say a couple of words about his vision of the direction of the forest secretariat because that's one of the reasons that I was quite excited to see Mr. Campbell come to work for us.

The forest secretariat was established on a temporary basis after the announcement of Weyerhaeuser. Mr. Spannier, who was a senior official in Crown Investments Corporation, was

appointed as the CEO of the forest secretariat. We had an unfortunate circumstance that we lost Mr. Spannier to a brain aneurysm.

Subsequent to that, Mr. Waller, who had just resigned from Crown Investments Corporation to resume private practice, was asked if he would act as the person in charge of the secretariat. He acted as liaison between officials who had been seconded to the secretariat from Sask Environment and other departments and coordinating that, managing the forest secretariat. But beyond that, he was the negotiator with the different companies that we were involved with.

Subsequent to Mr. Campbell's appointment as CEO, Mr. Waller is on a contract basis and had been on a contract basis before, but will not be responsible for the operations of the secretariat. He will be responsible for negotiating with the companies that we would be required to negotiate with. So I think if I could I just, I think it might be helpful if Mr. Campbell would just give us an overview of, and his vision of the secretariat's role and his responsibilities.

Mr. Campbell: — Sure. Thank you, Minister. I think one of the major differences between my role this year and Tom's role, Mr. Waller's role last year, would be that we have a formal agency this year with full-time staff dedicated to the forest development issue. Last year the secretariat operated as an interdepartmental committee with shared resources from a number of different agencies. And the mandate was fairly heavily focused on the Prince Albert situation.

So this year, the secretariat will be looking at a number of things apart from facilitating a transition at Prince Albert pulp and paper. We're also working actively on the Carrot River-Hudson Bay situation. We will be working with the Department of Environment and others to respond to the Premier's task force report on forest development as well as working with Environment on the Minister of Environment's competitiveness report, responding to those in this year. As well as looking at issues such as the Saskatchewan Forest Centre — its ongoing role and mandate — as well as consideration of agroforestry. So there's a few other issues that we'll be able to focus on more heavily this year with the dedicated resources than perhaps we were last year.

Mr. Kirsch: — Thank you. Now without upsetting Mr. Campbell, can the minister explain why Mr. Campbell would be receiving a deputy minister level 1 pay at \$115,000 when Tom Waller received 417,000 for the same job for a 13-month contract?

Hon. Mr. Lautermilch: — Well first of all, Mr. Waller didn't receive that. It was a contracting company, a company who's under contract, and there were other people who were providing services within that contract, secretarial work and other duties. The offices were not housed in the government offices so obviously there was a cost to that consulting firm.

But we paid Mr. Waller based on the fees that a senior lawyer in this province would receive for the similar kind of work. And I think if you will check the market, you will know that on a contract basis fees that were paid to Mr. Waller on a per-hour basis were not out of line.

Mr. Campbell is paid the rate that civil servants doing the same level of jobs within government are paid. This is temporary work that Mr. Waller was doing. It was contract work, and it was equivalent to what he charges to do other types of work as a consultant. The firm had other duties. OWZW Consulting Inc. is the name of the company.

The amount that was billed over a 13-month period, which includes travel, which includes all of the things around that. And you have that information, and it's been made available to you. His contract has been filed with Clerk of the Legislative Assembly, which is contrary to what one of your colleagues had indicated. The total amount that that consulting firm received was \$416,936.57, but it included hotel rooms, it included travel, it included food, and all of the things that contracts of this nature will pay for. And that's why the difference.

Mr. Kirsch: — Okay. In Mr. Waller's first contract he was paid 200 bucks an hour. And in the second extended contract the rate was increased to 300. Why was this hourly rate increased?

Hon. Mr. Lautermilch: — Part of the work that Mr. Waller was doing at that point was with the Forestry Secretariat, the Premier's, or I'm sorry, the Premier's task force. He chose to sign a contract that was less for that type of work than it was for his consulting work as it relates to companies that we were negotiating with at that time. Subsequent to that, the contract was signed at \$300 an hour — which again was made public. So if you have . . . I mean, you can challenge the amount and you might say it's not what other lawyers of that nature charge, but I would just ask you then to look at public accounts, look at what the fees that other companies are charged.

I would have to say that I was quite . . . not surprised; no I wouldn't say surprised. But one of your members was challenging Mr. Waller's connections to the New Democratic Party. To which I suggested they should check MacPherson Leslie Tyerman because they do an awful lot of contract work for this government and no one could accuse them of being card-carrying NDPers [New Democratic Party]. I think they're good business people in this province, as Mr. Waller is. He charges market rate, and being business people, I would hope that members or some of the members of the Saskatchewan Party could understand that.

The Chair: — Thank you very much, Mr. Minister. Mr. Kirsch, do you have further questions?

Mr. Kirsch: — You betcha. Mr. Waller, as Forestry Secretariat CEO, was being paid more than the Minister of Health, which is the biggest expenditure of the government. How can the minister justify this extensive rate of pay?

Hon. Mr. Lautermilch: — Well I understand they wrote those questions for you, but let me say to you this: if you would check public accounts and if you'd check Crown Investments Corporation and if you'd check what legal firms and consultants are paid in this province — senior people at senior levels — you will find that those rates are not out of rate. They aren't. They're in line with what other firms are paid. You can argue that that's not the case, but I think it's fair to say that people out there in the business world will understand that that is the case.

Mr. Kirsch: — Mr. Minister, you said senior. This was his first endeavour into forestry. All of a sudden he becomes a specialist?

Hon. Mr. Lautermilch: — No. Not his first endeavour into forestry. As a young man, Mr. Waller had some activities related to his profession that involved work with the province of Saskatchewan at a very senior level. And if you'll check records, you will find that to be true. He's also been directly involved in negotiations with First Nations and with treaties. He's also been involved in some litigation at a very senior level. If you're questioning his capacity as a lawyer, I think that you may want to rethink that because he is well respected in the legal community — maybe not by you — but he is in the legal community and he's certainly is by this government and the work that he has done for us.

Mr. Kirsch: — What is Mr. Waller's role within the Forestry Secretariat now?

Hon. Mr. Lautermilch: — He is a consultant and he is our chief negotiator.

Mr. Kirsch: — So is he under contract to the secretariat?

Hon. Mr. Lautermilch: — As needed.

Mr. Kirsch: — Okay, and what's the reimbursement on this round?

Mr. Campbell: — We're still discussing the terms with Mr. Waller, but the rate will be similar to what was paid previously. The role however is much more focused on the negotiation with Domtar file as related to the other Forestry Secretariat functions, so that the billable hours will be less. But we feel it's important to have Mr. Waller on contract during this period particularly as the Forestry Secretariat gets fully staffed, because it is certainly more than a full-time job for a few of us. So that's the rationale there.

The Chair: — Thank you very much. Mr. Kirsch, do you have further questions?

Mr. Kirsch: — Is he under contract to the secretariat or another department? Does this fit under the secretariat's?

Mr. Campbell: — It does fit under the secretariat's mandate, yes, and budget.

Mr. Kirsch: — Now when you said he's being paid, it'll be one of those brackets. Which one? Are we looking at the \$200 or \$300 an hour?

Mr. Campbell: — Well the terms of the contract haven't been finalized yet.

Mr. Kirsch: — Will Mr. Waller's contract be tabled under The Crown Employment Contracts Act?

Mr. Campbell: — It is not required to because it he's not a Crown employee, but certainly the past practice has been to file those anyway in the public interest, and so our intention would be that would continue.

The Chair: — Thank you very much. I'll recognize Mr. Weekes.

Mr. Weekes: — Thank you, Mr. Chair. Mr. Minister, I just want to continue on looking at the budget, vote 79, on the forest secretariat — salaries at 475. Is that thousand dollars?

Mr. Campbell: — Right.

Mr. Weekes: — That's the secretariat's wage as well salary. Is Mr. Waller's reimbursements going to be coming out of that part of the budget?

Mr. Campbell: — The salaries budget there is associated with the five full-time FTEs [full-time equivalent], so that's salaries and benefits. So the contract with Mr. Waller would be a supplier payment as a consultant, so it would be in that other 1.5 million category.

Mr. Weekes: — Okay, thank you. Going back to the secretariat's statement about the mandate of the forest secretariat, could you . . . You're talking about the change in the forestry, the mandate of the forestry centre, the change in the mandate of the forestry centre. What changes are you expecting, are you working towards?

Mr. Campbell: — I wasn't referencing a change in the mandate but rather one of the things we're going to look at is its ongoing role and how the province can support it, given our new operating environment. The forest centre has been in operation for a period of time and it just makes good sense, given the other restructuring that are going on, to take a look at that. So that's just one of our activities in this next fiscal year but there's been no mandate change.

Mr. Weekes: — The mandate of the Forestry Secretariat is deliver policies, programs to facilitate economic development. You touched on somewhat of what you have been doing to date. Could you give us more details about, on the economic development side? I'm sure you can't name companies or names of people that you might be dealing with but just generally, in a more general way, what exactly are you working on as far as economic development in the forestry industry?

Mr. Campbell: — Well one of the primary items will be response to the Premier's task force report and the forest industry competitiveness report that the Department of Environment did in consultation with COSFI [Council of Saskatchewan Forest Industries], which is the forest industry association. And there were a number of recommendations, around 15 in each, that a lot of them speak to increasing the competitiveness of the industry. So there's that component — be looking at those changes. And they involve a variety of agencies. A lot of them involve Environment, some of them involve Highways, Department of Finance, so one of the things the secretariat can do is help bring the industry perspective within government and bring those different agencies together. So that's one component.

The other component is very much an investment attraction effort. So working with companies, trying to attract them to Saskatchewan, meeting with the companies who are here. We are meeting with one of the major forestry companies later this

week just to talk about how things are going from their perspective, where they see opportunities, and what government can do to help. So that's some of the things we have in mind.

Mr. Weekes: — So, so far no specific plans or business plan has been presented or that is being worked on from your point or that have been presented to you as far as economic development?

Mr. Campbell: — Well we've certainly been in discussions with Domtar as it relates to the business plan for the Prince Albert forest management area, as well as C & C Wood Products who was considering the purchase of the facilities on the east side. So we've been working with them to support what their business needs might be as they define those.

The approach we're taking is that companies are in the best position to identify how they can be competitive, and so we're there to help them along in that process.

Mr. Weekes: — So that's the only business venture that is active that you're working on?

Mr. Campbell: — Well no, I wouldn't say that. The primary focus of our efforts is certainly with the facilities that are closed. But I mean we're also dealing with other companies who are operating facilities in the province — or who expressed an interest — and let them know what the opportunities are.

Mr. Weekes: — What is your role with the Meadow Lake pulp mill?

Mr. Campbell: — Certainly personally I haven't had a lot of experience with that particular facility; the province's interest there led by Investment Saskatchewan. But certainly it'll be just like with any other industry player. We'll meet with the operators, get a sense of where they're at, how we can help them become more competitive, what Saskatchewan can do. So it will be that similar role to what we're doing with our other companies.

Mr. Weekes: — One last question. What is your relationship with the task force — the forestry task force?

Mr. Campbell: — The minister and I are Co-Chairs of that task force. When I assumed the role of CEO I took over as Co-Chair from Mr. Waller. So that, for example, is one role that Mr. Waller no longer has, that is now resident with me.

The Chair: — Thanks very much. I'll recognize Mr. Kirsch.

Mr. Kirsch: — Thank you. Mr. Minister, has any work been done or will be done to implement the minister's task force which was compiled by the industry and Environment?

Hon. Mr. Lautermilch: — Mr. Kirsch, yes. I can tell you and members of the committee that we have been working with industry on two separate and distinct business plans that could lead very much in a positive way to implementation of many of the recommendations of the Premier's task force, and to the Sask Environment committee, COSFI committee, and I think that they're very much complementary.

The basis for both of, I believe, of those studies and both of the series of recommendations is that we need to be more than a commodity producer here in Saskatchewan — and we can be. Obviously the commodities — free-sheet paper, pulp, dimensional lumber — have served us well over time, but there have been some changes.

We've now got 50 per cent of the access to American market for our dimensional lumber that we had in 2000. That's a challenge. The pulp markets, as you will know, there's been a contraction in terms of the numbers of pulp mill. Free-sheet paper has been contracted fairly dramatically in an attempt to stabilize the prices at a level that will allow for a return for the shareholders, and that's meant some pain in some provinces and in many different cities and communities in Canada.

And so we need to stabilize and re-establish a new industry that's based on products that are much more varied and that, if we can be delivering some value-added commodities with players who understand the industry and who know the markets, that would obviously be the goal. But we also found from some of the work of the two task forces, if you . . . Well the task force and I forget the name of the other operation.

Mr. Campbell: — They're both called task forces.

Hon. Mr. Lautermilch: — Anyway I wasn't directly involved in the other one. But what became very clear was that the analysis that the Premier's task force has done and the understanding that they learned of this industry is that we've got the best boreal forest in North America, bar none. It's the healthiest. It's a good opportunity for investors, good opportunity for investment.

What we also found was that this province is very competitive stacked up against other provinces, both on the stumpage, the regulatory, although there's always room for improvement and streamlining. But Saskatchewan is very competitive and we also found that our taxes are very competitive — corporate and personal.

I think the other things that I found to be very interesting about the work that the Premier's task force has done is that we've got some excitement in industry about the opportunities here. We've had some major, some very senior people who have spent some time in Saskatchewan looking not only at the Weyerhaeuser/Domtar assets, but looking at our forest and learning more about the inventory and what the opportunities are, finding out about the investment that Saskatchewan people make in forestry roads on an annual basis, finding out about the relationship that they can build with our power utility. And I think so all of these have been important. It's been a very positive year, I think, to position ourselves.

We haven't obviously got an announcement for these dormant assets at this point, but I'm convinced that we will have because we have the right elements in place. We have marketed very aggressively this province to industry across Canada and across the United States and other areas of the world. So the exposure and the investment that we've made in exposing Saskatchewan to industry around this world has been, I think, invaluable. And I believe quite firmly that it's going to create the base for another 25 years of good, solid operations.

And what I'm hopeful is that we can find some investors who have — and I believe we can — have the same vision for a value-enhanced operation here in Saskatchewan, where Saskatchewan men and women are going to work in this industry at a rate that may surpass what we had been doing in the past. But we're going to need to make some changes. We're going to have to fix the softwood lumber agreement that the federal government negotiated. They negotiated half of our American opportunity away and that's not right and we're going to have to work to fix that.

And we're going to have to get these mills up and running to be creating job opportunities for Saskatchewan people. And I must say that in this environment we're going to have to do things that other jurisdictions are doing and we're going to be using some public policy initiatives, in my opinion, that will be in the best interests of the people of Saskatchewan because we have to compete with other jurisdictions, and we're more than prepared to do that.

Mr. Kirsch: — Mr. Minister, I've heard that the paper-making equipment is being removed from the P.A. mill.

Hon. Mr. Lautermilch: — That would be a question that you would have to ask of Domtar, who own the equipment. I can only say to you that if that is to take place, there's obviously some things that they will have to do. There are some environmental issues that will have to be addressed. That process is managed by Saskatchewan Environment.

I can tell you that the process will be followed. I think it's fair to say that one of the reasons these assets were shut down is because of the North American capacity and the attempt to stabilize the price of free-sheet and of pulp.

What's down the road, I'm not sure. But here's what I know. I know that a paper mill uses hardwood. And if there is no paper mill, there will be an engineered wood plant or there will be an OSB [oriented strand board] plant, because that hardwood will not be trampled as it was 20 years ago to get to softwood.

There's technology that allows for opportunities. We've got a state-of-the-art OSB plant in Meadow Lake run by Tolko. Weyerhaeuser still operates their plant in Hudson Bay. And I believe if there's no consumption in paper, there will be in engineered wood or OSB. Those are the options.

I think that people in Prince Albert are less concerned about what kind of wood products they produce; they're more concerned about producing them. And I think the same can be said for Big River, La Ronge, for Carrot River, Hudson Bay. And our goal is to ensure that all of these communities' operations are up and running, and I think it's fair to say we also see some new opportunities there. And I think the upcoming weeks and months will show that our belief in this forest and in this industry will result in some good, positive announcements.

Mr. Kirsch: — On the Meadow Lake mill, why did the government keep 20 per cent?

Hon. Mr. Lautermilch: — I think you would be well advised to pose that question to Investment Saskatchewan or the

ministry of Industry and Resources, who is responsible for those assets and for those activities.

The Chair: — Thank you very much, Mr. Minister. Seeing the hour has expired, I would like to thank you on behalf of the committee — and your officials — for coming before the committee tonight. We have to now move on to the next item before the committee, but we thank you very much for your attendance.

At this point, we'll take an approximate three- or four-minute recess to change officials and prepare for the next item before us. Thank you.

[The committee recessed for a period of time.]

**General Revenue Fund
Labour
Vote 20**

Subvote (LA09)

The Chair: — Thank you very much, committee members. We have before us now item vote no. 20, Department of Labour; but specifically the vote (LA09), the office of the Status of Women. We have with us the Hon. Minister Beatty and her officials. Would you please introduce the officials to the committee please.

Hon. Ms. Beatty: — First of all, good evening to everybody. To the right of me is Bill Craik, the deputy minister of Labour, that we also fall under that department. And behind me is Jim Nicol, the assistant deputy minister; and to the left is Pat Faulconbridge, executive director, Status of Women's office.

The Chair: — Thank you very much, Madam Minister. Do you have any opening comments you'd like to make?

Hon. Ms. Beatty: — Yes I do, Mr. Chair. It is a pleasure to be here tonight. The Status of Women's office is anticipating that the coming year will be a very productive year.

As members of this committee may have noted, the Status of Women office has received additional funding of \$50,000 for the current fiscal year. This funding will be used for a northern initiative. This initiative, which is currently in development, is being designed to begin addressing equity issues facing our province's northern women, many of whom struggle with poverty, violence, and isolation.

The purpose of this one-time funding is to identify women in northern communities who can act as agents of change within their areas. By establishing links between our office and these women, we will be able to ensure that in future their voices and their particular and unique concerns can be heard as part of our government's decision-making processes. This will fill an important and previously unaddressed gap in our current approach to the overall goal of promoting women's equity.

Of course this is just one example of the work the office does to advance equity for women. The framework that has defined the government's direction for the past five years is laid out in the *Action Plan for Saskatchewan Women*, which is on the

department's website. A final report on progress made under this plan is currently being prepared, but I'm proud to be able to report that we have made significant progress in many areas as a government, including increases to child care spaces as well as housing and child care subsidies, creation of domestic violence courts, and streamlining processes for support payments to families.

Of course it's a small office. A great deal of the work is done in partnership with both government and non-government agencies. One example of how the office does this is through an intergovernmental women's advisory committee. This committee includes senior advisers from more than 30 government departments, agencies, and Crowns. Each of these advisers works to ensure that women's priorities are addressed within their organizations at the policy developmental stage. In addition Saskatchewan's Status of Women's office is an active participant in a number of national working committees that look at such important issues as economic security and violence against Aboriginal women.

Another important aspect of the office's work is the involvement it has with various community groups and organizations focused on women's issues. By way of an example, the executive director and I recently met with a number of women's groups in Prince Albert. These groups had previously been working independent of one another but are now collaborating with the hope of improving the lives of women in their area.

With that brief summary, Mr. Chair, outlining some of the office's responsibilities, we welcome questions from the committee members.

The Chair: — Thank you very much, Madam Minister. I now open the floor for questions. I'll recognize Ms. Draude.

Ms. Draude: — Thank you very much, Mr. Chair. And to the minister and her officials, welcome, and I look forward to some questions and answers. And I'm sure that it'll be beneficial for all of the women in the province.

Can I start by asking how many employees work strictly for the Status of Women at this time?

Hon. Ms. Beatty: — We have four FTEs in the department.

Ms. Draude: — Are they all women?

Hon. Ms. Beatty: — They are all women.

Ms. Draude: — How many staff were employed when there was a stand-alone Women's Secretariat?

Hon. Ms. Beatty: — Mr. Chair, there was 13 FTEs.

Ms. Draude: — Thank you. I listened with interest to the minister describing all the work that's being undertaken by the Status of Women under the Department of Labour. And I looked at it and tried to compare it to what I remembered that the Women's Secretariat did a number of years ago, and it seemed like the responsibilities hasn't decreased a lot.

Can you tell me what the four women are, what jobs the four women that are working there today aren't doing that the 13 women used to do?

Hon. Ms. Beatty: — Mr. Chair, I think if you look at how the women's office has evolved over the years and if you look across the country, there are continuous changes happening. And even if you look at the history of women's advancements on the various challenges that we face as women. And, you know, if you look at the different governments, you know, that have come into place — different heads — the mandate has changed, you know, the focus has changed.

And in 2002 the Premier directed a shift in the government's approach to women's equality to accomplish three goals. And number one, it was to integrate women's equality issues into the mainstream of government decision making. Number two, ensure centralized leadership in the development of government policy. And number three, maintain key resources for the women's community. That was the focus and continues to be the focus.

Ms. Draude: — So are you saying then that there isn't the challenges for women today that there was in 2001 when there was a Women's Secretariat?

Hon. Ms. Beatty: — You know, I'm not saying that. You know, I think, you know, anywhere you look in the country, in Saskatchewan, the challenges remain. And you know the issue of equality continues to, you know, to impact on all of us. And that is why, you know, so many women's groups are so upset when the issue of equality, for example, was removed from the federal government's mandate.

So I'm not saying that at all. I'm just saying that you know with, you know, the issue the mandate has changed over time based on different premiers even, different governments. If you look at Grant Devine's initiatives under, coming to women's issues, one of the areas he cut was daycare subsidies. And some of those areas that this government has done is increase daycare, increased access to education for women, and a number of other different funds. So, you know, I'm not saying that we have accomplished everything; there's much work to do. I think there's no question about that.

Ms. Draude: — I think it's interesting that the number of challenges that are still facing women and the discussion that the minister just had about the women being frustrated with the federal government should relate back to the fact that this same government, five or six years ago, decided that it wasn't important to have a stand-alone government secretariat.

They've touted their commitment to women and their efforts to help them achieve equality, and yet we have now gone to three people or four people from thirteen. We've gone to a part of a department that sends a strong signal to women that the efforts of this government isn't as important as it was a number of years ago. And to put \$50,000 into a northern commitment is laudable, but it isn't addressing some of the issues, the very many challenging issues that women have today.

And I think that underlining the fact that we have one of the biggest scandals in this government's history right now — and

I'm talking about Murdoch Carriere — underlines the fact that there wasn't . . . your department for women wasn't there for the women in that case, and probably many other. Can you tell me how many letters, phone calls, emails, the Status of Women had regarding the Murdoch Carriere case?

Mr. Craik: — Perhaps I could assist you in that question to some extent and answer part of the prelude to the question. The short answer is, none. But some of the question that you've raised is raising the question as to whether the Status of Women office, with an FTE equivalent of four people, is able to accomplish what the minister alluded to in terms of its mandate.

I think, to give a fulsome answer to you, we can look at the history of the department going back to when it was first created as a women's division in 1964 by the Liberal government of Premier Thatcher. In '66 the division was renamed the women's bureau. In January 1, '84, The Women's Secretariat Act established the secretariat as a stand-alone government agency. And in 1987, it ceased to exist as a stand-alone agency under the second term of the Devine government.

But in any answer, any fulsome discussion of this issue involves analyzing what the impact of a secretariat or a division or a branch does. Currently there are two individuals in cabinet planning office who used to head up the women's division, or the Women's Secretariat. And the fact that cabinet planning office — which receives CDIs [cabinet decision item] throughout government and processes them and assists getting them ready for Executive Council — the fact that that screen is there, that central agency of government, speaks much more loudly and effectively to the role of gender analysis than if a branch had an extra FTE or two in its policy shop.

Strictly speaking, there was one FTE transferred with the women's division that is not now counted as part of the women's division, and that's a communications person who retired from the division in the last year. But currently the Status of Women branch attached to the Department of Labour has access to any one of the communication consultants, and in fact has used the services of all four communication officers on any given issue, whether it's writing a speech, preparing for a meeting, doing a policy issue, or supporting the executive director and the minister on other aspects.

So to some extent, the technical answer to your question is that there's 4.0 FTEs, but the actual effect is that it's much bigger than that. Now true, the policy and planning division of the Department of Labour doesn't tend to do Status of Women issues. So I'm not going to merge those two issues and say that one does the other, but for communications for sure it does.

To the extent that HR [human resources] services or IT [information technology] services are performed by the Department of Labour for the Status of Women office, to the extent that last year monies were spent on Status of Women issues that may have been part of the vote or not, again it's part of a larger department that supports it, and the resources are as needed.

So I just wanted to give the full context so that the minister wouldn't have all of that detail or that minutia in a briefing

note, but it's part of the context of your question. The job is being done. The message at cabinet planning is being received, and cabinet is benefiting from that gender analysis, not just performed by Status of Women office, not just performed out in the departments or the Crowns, but also performed in cabinet planning unit.

Ms. Draude: — Thank you. Can you tell me then how your department is going to determine through an outcome-based analysis if this is working better to have the Status of Women as part of Department of Labour than as a stand-alone secretariat? We have . . . There must be some analysis being undertaken or looked at to determine which is the right way.

There was other departments . . . other governments and jurisdictions have determined that in order to ensure that women's rights are seen throughout government . . . and I look with interest at some of the information that I have received for a number of years back to 1995 when I had the honour of becoming elected. And I looked at what the importance was of having women's issues seen in a stand alone area, talking about ensuring there was strategic supports including evidence-based research and policy analysis and leadership support and that type of thing.

We have to know if what we're doing is working because I believe, and you had indicated, that there was no calls or emails into your department with a case that shook Saskatchewan this spring. And I know that we did send out information or allowing people to contact us with their thoughts on the Murdoch Carriere scandal, and we had over 7,000 replies back. And 94 per cent of those people said that there was something drastically wrong. And when it has something to do with women and the fact that there was a problem within the workplace, I would think that this is something that the Department of Labour and, within it, the Status of Women should be looking at very seriously.

So I guess my question again to you is, how are you measuring to see if what the determination of cabinet and your government is doing to make sure that women are being looked at and that their issues are being looked at within government and within the province of Saskatchewan?

Hon. Ms. Beatty: — Mr. Chair, I want to make some comments, and then perhaps, you know, the deputy could add to my comments. As I've said before, the action plan for Saskatchewan women was established, you know, just about five years now, and that was done in consultation with women's groups across the province here. And they defined the framework as to what basis they would do this. So based on that, there's going to be a final report done, you know, that's going to determine whether this is the right approach or not, to look at new ways of doing things in the future.

The one thing that I can say, you know, I didn't so much get letters of women's issues. I've been meeting with a number of women's organizations across the province. You know, some of them have come and met me here. We've done outreach across the province. And to be honest with you, the groups that I have met, it was a lot of them had to do with the removal of the mandate of equality from the federal government. That was sort of the main topic of conversation in the different meetings that I

was at.

Secondly, the other issue that was raised was in the area of domestic violence against Aboriginal women. That was another prevalent issue that continues to emerge from the different women's organizations that I have met, and these are both Aboriginal and non-Aboriginal women's groups. But in the terms of the measurements, you know, the outcomes, you know, perhaps the deputy can add further comments to that.

Mr. Craik: — Well the question does take me just a little bit aback because I'm not aware of the outcomes measurement that the Women's Secretariat undergone. There may very well be some documents in the archives from 1993, 1994 as to what their outcomes were and what their purposes were, but I have to tell you that I haven't seen those. Part of my preparation for today . . . Or actually I haven't seen them at all. And for a good period last year, there was no executive director, so I was covering the file personally. So I haven't been able to see any of that to make any kind of comparison between one period of time and another. And then it would be doing a comparison of something against nothing. So that takes me aback.

The other comment you made about the questions or the phone calls, it's a question we've asked ourselves because we do watch the proceedings in the House. And yes, Status of Women might have been a place that could be called, but I can only suspect that people realize that in fact Status of Women is not enforcing that area, and then that the questions or calls would be properly made to a different department.

Ms. Draude: — I guess my question had been . . . And there won't be an answer because you said it hasn't been completed yet. But I was wondering how we are going to measure to see if a stand-alone Women's Secretariat better addressed the needs of the women in the province than to have it rolled into another department with fewer people and the mandate not changing a lot. But you've answered that.

So I guess my next question to you would be, was the Status of Women included in consultation on the new OHS [occupational health and safety] amendment that had been brought forward to the House?

Mr. Craik: — The Status of Women office has reviewed that legislation. They were not part of the original team doing that work, but they have reviewed it.

Ms. Draude: — From the perspective of Status of Women, is there a belief that this will be beneficial and that the changes would have made a difference to the previous case if they would have been in effect even four years ago?

Mr. Craik: — I'll ask Pat Faulconbridge to answer that because I'm not sure of all the facts surrounding the question. I'm not sure if I'd have any ability to answer the question as to whether something passed now could have had an effect five years ago or four years ago.

Ms. Faulconbridge: — The harassment legislation is harassment in a broad sense. So it looks at harassment from when you're looking at it from a gender perspective. You're looking at harassment as it affects men or women differently,

and sexual harassment is only a piece of that overall legislation. And we have put a gender lens on the OH&S legislation and looked at how do the provisions affect men and women differently.

Ms. Draude: — Did you make any recommendations for changes to the legislation that was presented to you, or was it the belief of the Status of Women that the legislation that was . . . [inaudible] . . . forward would cover the needs that you are seeing right now?

Ms. Faulconbridge: — My understanding from reviewing the past literature is that the legislation, the harassment legislation did cover sexual harassment.

Ms. Draude: — So from the standpoint of your department, there wasn't any changes or any need for changes.

Ms. Faulconbridge: — The legislation, the current, are you . . . could you repeat your question again, please?

Ms. Draude: — The new legislation, new amendments that you've seen to the legislation, you had . . . do you feel that there was a need for changes? Will they affect the sexual harassment in any way? Or did you feel that there was any need for changes in the existing legislation that would affect sexual harassment?

Ms. Faulconbridge: — The changes, the proposed changes of the legislation broaden the harassment legislation somewhat. Whether they're going to have an effect in reducing the sexual harassment allegations, we won't know until the current legislation is put forward and the parameters around it. Legislation is only one key to it. Education is another piece to it, and I believe the PSC [Public Service Commission] is looking at that piece.

Ms. Draude: — Have you suggested any new regulations that will follow the Act or the amendments?

Ms. Faulconbridge: — No, we haven't. We've reviewed the legislation. We're satisfied that it is gender specific. It applies to both men and women equally.

Ms. Draude: — One of the mandates of the Status of Women is to ensure that women are seen in all areas, that they have an opportunity to advance — not only outside of government — within government. So have you watched to see if the number of DMs [deputy minister] or ADMs [assistant deputy minister] are increasing within your government in the last number of years?

Hon. Ms. Beatty: — Mr. Chair, you know, it has been reviewed. But one of the areas where it wasn't adequate, I guess it came . . . was in northern Saskatchewan. We don't have the specific numbers this evening but, you know, we can provide that to you.

Ms. Draude: — Are the specific numbers you're giving me through all the departments not just northern Saskatchewan, because that's what I would like?

Hon. Ms. Beatty: — Yes, we can do that.

Ms. Draude: — Thank you very much. I understand the half hour that we have for this evening is up. So thank you very much for the opportunity to ask these questions, and I look forward to talking to you again.

The Chair: — Okay. Thank you very much, Madam Minister, and members of the committee. At this time, we're going to move to general Labour estimates but I'd like to thank the minister and officials for coming this evening. It's been a pleasure to have you before the committee and thank you very much for your attendance.

Committee members, we'll take about a three-minute recess to give the opportunity for officials to change and to prepare for the next set of estimates. Thank you.

[The committee recessed for a period of time.]

Subvote (LA01)

The Chair: — Thank you very much, committee members. The next item before the committee is vote no. 20, Labour estimates. We have with us the Minister of Labour. Mr. Minister, would you please take the opportunity to introduce your officials to the committee.

Hon. Mr. Forbes: — Thank you very much, Mr. Chair. To my right I have Bill Craik, deputy minister of Labour, and to my left Jim Nicol, assistant deputy minister. And behind us, and I'll just list off the names. They may come forward as the questions appear relevant. John Boyd, executive director of planning and policy division; Eric Greene, director of labour standards; Glennis Bihun, acting executive director of occupational health and safety division; Cheryl Senecal, director of finance and administration; Margaret Halifax, director, office of the worker's advocate; Peter Federko, chief executive officer, Workers' Compensation Board; Melanie Baldwin, board registrar, Labour Relations Board; and Pat Faulconbridge . . . Is she still with us? No. Then that's it then.

The Chair: — Thank you very much, Mr. Minister. I'll now open the floor for questions. As you've been before the committee on two previous occasions, we will not ask if you have an opening statement. Open the floor. Mr. Hart, do you have any questions?

Mr. Hart: — Thank you, Mr. Chair. Minister, welcome to you and your officials. It is somewhat later in the evening, and we'll try and work our way through and get the business of the people in the province done.

Minister, I think the first issue we need to discuss is issues pertaining to Bill 66, which you tabled last week and we moved to this committee, the House moved it to this committee. We have had discussions in the House about the whole concept of having witnesses appear before the committee. Have you spoken to the Chair of the committee? Have you done any work in that regard to have witnesses appear or at least have the committee consider the issue?

Hon. Mr. Forbes: — I have spoken to the Chair and he may wish to address this. I know we're getting down to the final days of this session. And so I would leave that with the Chair

and the Vice-Chair and to discuss this.

Mr. Hart: — Thank you, Mr. Chair, or Mr. Minister. Mr. Chair, I wonder could you explain the mechanics and time frames and what actually needs to be done in order to have witnesses appear before any legislative committee?

I understand there's some requirements for advertising to inform the public that this is going to happen, those sorts of things. And I think that the members of the public would find it useful to understand the mode of operation that the committee, all of the committees in the legislature are under and sort of the time frames and the mechanics of having witnesses appear before a committee.

The Chair: — Thank you very much, Mr. Hart. I will start by indicating there are two ways in which a Bill can be referred to public hearings — or for that matter any issue before a committee. One would be at the referral of the minister, a formal referral to the committee. At that point it would require a motion from the committee to actually take the Bill to public hearings. The second is, the committee itself in its consideration and deliberations could make a motion to take the Bill to public hearings.

The process of taking a Bill to public hearings to get input from the public requires a number of, a number of issues that we as a committee would need to deal with. One is the nature of those public hearings. And that is largely determined by the amount of interest in the particular issue before the committee. So that may vary from issue to issue as committees of the legislature would consider issues.

It normally requires both a notification of stakeholders of the issue of holding public meetings so that they have the opportunity to show interest. It generally requires public advertising which takes approximately three to four weeks from the start of consideration by the committee to the point that it's advertised and replies are back to schedule public hearings.

Then of course it takes the time for the committee to in fact hold the public hearings, and then the consideration of those public hearings by the committee as part of consideration of the Bill. This process would normally take several weeks.

And as well, it takes consultation and coordination with the Clerk's office in order to ensure that we have adequate staff and facilities available to undertake public hearings. So it's a process.

As you may well be aware as well, it's very difficult for a committee to say that we will listen to one or two people on an issue that's of public interest. So the scope and breadth of any public hearings is largely determined by the interest of the organizations and stakeholders that would be involved in considering any particular Bill.

So it's not a process that can be undertaken in a week or two weeks. It would take at a minimum probably six to eight weeks from a decision to go to public hearings or to consider public hearings before we in fact can respond to all the criteria in which we would have to meet, including the hearings and consideration of the Bill.

Mr. Hart: — Thank you very much for that, Mr. Chair. I think the general public will have a better understanding of the mechanisms and the workings of the committee and so I thank you for that. And we will make a decision, I guess, at a later time. In lieu of the timetable that we have for legislative sittings and so on, it appears that we may be short of time to deal with this particular matter. And I think there may be further discussions on that. And again, I think you for your information.

Minister, just to follow up to some of our discussions in our last consideration of estimates on your department. First of all I'd like to thank you for the information that you have provided committee members. And dealing with some proposed changes in the occupational health and safety legislation as far as pertaining to firefighting teams, I know you had mentioned and referred to some of this information in our last session, but the written information clearly spells out where Saskatchewan is as opposed to other jurisdictions. And it appears that there are a number of provinces that really don't have any provisions in their occupational health and safety regulations that would provide any guidance to fire departments, whether they be professional or volunteer firefighting departments.

And you had also indicated that, in our last session, that you were giving this matter consideration, but you haven't made a final decision on this. You had said that these recommendations for changes came from the Occupational Health and Safety Council. I wonder if you could briefly explain the makeup of the council. I know it's, in general terms, that it's representatives of both employers and employees. But I wonder if you could be somewhat more specific — give us an indication perhaps of who the current members are and those sorts of things.

Hon. Mr. Forbes: — Yes, I'd be very happy to. This is a very important council, and they serve as an advisory role. I'll just go through this because we should be very specific.

The Occupational Health and Safety Council is established under The Occupational Health and Safety Act, 1993. The council advises the minister on occupational health and safety generally, the protection of workers and self-employed persons that work, and other related matters on which the minister seeks the council's opinion.

To date this is who the council's made up of: the Chair is Don Grant out of Regina here; the employees' representatives — Gladys Downing from Saskatoon; Jacque Griffiths, Saskatoon; Roy Howell, Saskatoon; and Gerald Huget from Regina. And three are from the SFL [Saskatchewan Federation of Labour] nominations, Federation of Labour. Gladys Downing is the building trades council nomination.

The employer representatives — and these folks come from the chamber of commerce; they give us the list of nominees — Richard Bevan from Winnipeg, Darcy Cretin from Weyburn, Mark Fracchia from Saskatoon, and Sherri-Lynn Swaney from Battleford. And those folks as well, they're nominated from the chamber of commerce provincially. They represent different sectors and bring a lot of expertise in the area of occupational health and safety to the discussions.

Mr. Hart: — Minister, do the members have a specific term? I would imagine they do.
I wonder if you could just comment on that.

Hon. Mr. Forbes: — Yes they do.

Mr. Hart: — And are the terms staggered or do we see a complete new slate at the end of each term?

Hon. Mr. Forbes: — Yes, they're two- to three-year terms and they are staggered. And so we just went through some appointments. Several expire March 25, 2009; some this year, 2008.

Mr. Hart: — Well just to pursue the matter of changes to the regulation dealing with firefighters, you'd also provided a list of stakeholders who you had invited comments from, and also a list of stakeholders that actually provided you with some feedback. And I would be interested in perhaps just a very brief summary of the feedback from a few of the stakeholders, if you could provide that information. I would start with the Saskatchewan Urban Municipalities Association. I see they are on your list and I wonder if you could just, in kind of 25 words or less, sort of sum up their general comments.

Hon. Mr. Forbes: — We'd be very happy to do that. And of course we're gathering that information as we go through. And so I'll ask Glennis to just quickly summarize the ones you've asked. Now you asked for the . . .

Mr. Hart: — SUMA [Saskatchewan Urban Municipalities Association].

Hon. Mr. Forbes: — SUMA, right.

Ms. Bihun: — I don't have the complete submission that they made but I do have a template that provides me with some summary comments.

Mr. Hart: — That's fine.

Ms. Bihun: — So I'll direct my answers from there. Under the question of steps that would be required to implement the proposed change, their comment was around requiring considerable restructuring of fire-service delivery within urban municipalities, that it may result in many urban municipalities reducing their level of fire service. And a comment that they may not have the fiscal capacity to adhere.

Under the area in the questionnaire which was related to cost, they've indicated that they would estimate a cost of 290,000 per year. Cost has also been quantified as a significant concern. And that there is a high level of fire service that's already provided without the additional costs. And a concern that the change would impact the potential strain to that level of service that's already in place.

They have indicated with the question related to fewer injuries that there is not data that proves that that would improve occupational safety from their perspective. And they'd like to see data that would confirm the justification for this change.

Under timing for compliance, that those responses would need

to come directly from individual municipalities. And as a general comment, although they don't suggest an alternative, they suggest, they do indicate that they oppose the change.

Mr. Hart: — I wonder if you could very briefly give me a summary of the Saskatchewan Association of Rural Municipalities' feedback.

Hon. Mr. Forbes: — I'll ask her to do that. It's quite interesting when you get this. I should point out though, when we do get the feedback and we're asking just a quick survey as a statement to qualify, but clearly there has been data done on this and we covered that last time. Of course this was a consensus recommendation of people involved professionally in fighting fires. And so when we see costs it's an indication, but clearly we are not asking them to verify or send in their data.

I've seen some numbers, and I do make some questions about how much that is. And we've seen fires today. There was a fire in this province in Meadow Lake and fortunately everybody is well there. We don't have data on how much that fire cost, but it's very important to take these. Now are you going to ask for all of these?

Mr. Hart: — No, Minister, but I do intend to ask . . .

Hon. Mr. Forbes: — You know, because it's really important, because if you don't ask for all of them, and if you know the ones you're asking for, it's very important to have a balance here. Because clearly some have already expressed their points of view and we know that clearly, and that's why we have this council giving us advice. Some will clearly give us comments on, and we're not surprised by some of the cities and what they're saying because they've said that already. And so it's not new and it's not new to what the council had heard. And the council, even hearing that, came out with a consensus opinion.

So I don't mind going through this, but I want to make sure, as with anybody in this occupation, you have to have . . . making sure you understand that if you're just asking for a few from one point of view. So that's important. So SARM [Saskatchewan Association of Rural Municipalities], if you want to just briefly . . .

Ms. Bihun: — SARM's feedback indicated that there would be additional costs. RMs [rural municipality] would either need to purchase their fire protection from urban municipalities or are the . . . Oh they either purchase it, pardon me, or are joint owner/operator. The costs would vary from minimal to small for the voluntary fire departments to perhaps quite substantial for the fire departments with full-time firefighters.

Their other comment was relevant to fewer injuries and they indicate that they haven't seen any study that indicates that it would result in fewer injuries from their perspective. So they haven't seen the data.

Hon. Mr. Forbes: — And I should just note that he didn't give an alternate proposal as well.

Ms. Bihun: — Those were the only comments that they provided.

Mr. Hart: — No, that's fine, that's fine. Minister, I certainly will ask about comments from the other side of the issue. In fact, you know, if we could just have a brief summary of the feedback we see from the Professional Fire Fighters Association.

Ms. Bihun: — Okay. The submission from Gerry Huget, the Saskatchewan Professional Fire Fighters Association, indicates — again this response being of course from the worker perspective — talks about the steps required for implementation. And it's noted if there was a single pump response and no additional pumps responding, it would require a staff of five to complete search and rescue ops immediately upon arrival. The other option would be to wait until there is a sufficient number of staff.

Under the costing question, there's a two-part answer. Yes, if there is only a single pump response. No, there wouldn't be additional costs if there's additional staff responding at the same time.

Under the question of, would their recommendation result in fewer injuries, he indicates that it would allow the fire department to perform its objective of saving lives without affecting a breach of the two-in, two-out requirement; timing for compliance, not sure; department resources, none; alternate proposal, no.

Mr. Hart: — Thank you. And then I understand you also received a reply from the Saskatchewan Volunteer Firefighters Association?

Ms. Bihun: — Yes, the response I have here is that no steps would be required for implementation. They have always taught and practised at least five firefighters to do structural firefighting.

Mr. Hart: — And finally the Saskatchewan Association of Fire Chiefs.

Ms. Bihun: — The Saskatchewan Association of Fire Chiefs has offered a comment in the area of the steps required for implementation and they have addressed concerns about the abilities of the commanding officer and reducing the initial response capacity and its effectiveness; concerned that the proposed change would impact service levels to citizens; or if entry is made prior to the second coming arriving, it would put their interpretation that the Department of Labour would expect a near miss report of a dangerous occurrence which is a reference back to the non-compliance situation in the legislation for reporting of dangerous occurrences, okay. Not aware of any statistics again that would indicate having a dedicated rescue team would change the outcome of a given situation.

Mr. Hart: — Okay, good. Thank you for that. So minister, now what's been suggested by the council is that there be amendments to section 49, I believe is the section that deals with this. I just . . . Yes.

Ms. Bihun: — Yes.

Mr. Hart: — And so now are we talking a change to regulations or are we talking a change to the legislation?

Hon. Mr. Forbes: — No. This is regulation.

Mr. Hart: — This is regulation. So, Minister, in your capacity as Minister of Labour you have the authority to change these regulations just simply by meaning it so, or what are the mechanics of changing this legislation?

Hon. Mr. Forbes: — No, not quite. No, but it's very important because actually this is, this and with the council and going through this process, it's very important because there are some 250 recommendations that we're talking about — a significant number I think. About 60 that will be legislative I think, somewhere in that ballpark. So it's still around 200. And how do you move that through in a way to make sure you double-check and all of that kind of thing? So we do this sort of final consultations if there are any grave considerations out there. And there are of course three choices you can make: either no, yes, or in a sense table it — more information is needed — that type of thing.

And then you take it through legislative instruments committee, they make a recommendation, and then it goes to cabinet. And then cabinet makes a decision, and then it comes back for us in terms of . . . And some of this too, and it's interesting to get feedback particularly on Bill 66 about implementation, education. A lot of these are talking that they're not aware of stats. They don't think there are stats, that type of thing. So we need to do more work in that area maybe.

So it's quite a process and of course — and as you know and you've said this in the House — we have some serious work to be done in this province in terms of our injury rates. So we are the ones that can have the most impact. We're the ones that we need to do more education on because I don't think anybody wants to see injuries. And if we can make it as seamless as possible that's very, very important.

Mr. Hart: — Well thank you for that, Minister. I guess my comments would be in regards to this particular regulation and this proposed regulation change. I realize that the council recommended that this go forward; however it appears that even the Association of Fire Chiefs have some, can foresee some problems in implementation. It has to be, as I just spoke in our last session, the municipal, elected municipal officials and their staff certainly, I mean, have the, if there's additional funds required, they'll have to deal with that.

And in view of the fact that Saskatchewan seems to be a fair bit ahead of every other jurisdiction in this area, I guess my comments would be that we certainly examine this issue very thoroughly, make sure that all parties that are affected by a regulation change are fully consulted. I know you did consult with them, but in view of some of the, you know, reservations expressed by a number of groups, I think we need to move very slowly on this.

Certainly, as I said earlier we, you know, don't want to create unsafe working conditions, but I mean there are firefighters in all other provinces and territories in this country that are dealing with a whole lot less regulation. And you know, I think I would advise a bit of caution in this area just to make sure that we aren't moving so far forward that it becomes, you know, very cumbersome and municipalities find that they really can't deal

with it and then they are not in compliance. And that just opens up another whole can of worms.

So I think that those would be my final comments on this issue, Minister, and we'll leave that to the decision-making process as you outlined.

Minister, what I'd like to do is turn to the Workers' Compensation Board. I have a few comments and questions with that . . . [inaudible interjection] . . . Oh sorry.

The Chair: — Thank you very much, Mr. Hart. Before we move on, I'd just like to, for the notification of members who may not fully understand the process, there is a review of regulations, after they're passed, by the committee. And so these regulations, as do all regulations, will come to the Committee on the Economy at a future date.

At this time, I'd also like to open the floor to Ms. Higgins. You have a question?

Hon. Ms. Higgins: — I do. When it comes to the review of occupational health and safety and the recommendations that are before you, when we're dealing with firefighting, the regulations that are recommended, is there anything that would fall outside of NFPA [National Fire Protection Association] standards or protocol? That's currently kind of the acceptable standards within firefighting I believe in North America. Is there anything unusual? Because the two-in two-out, is that not recognized in the kind of standards, NFPA standards for firefighting?

Ms. Bihun: — Yes. The two-in two-out rule is from the NFPA standards.

Hon. Ms. Higgins: — So now are the standards used in other areas, whether it's for standards that are expected for equipment or protocols that may be in place for firefighters . . . What I want to know is, is this unusual to draw something from NFPA standards or protocol when you're looking at occupational health and safety? Or is it common practice amongst firefighters across North America?

Ms. Bihun: — Not being completely familiar with what other jurisdictions do, in Saskatchewan it's certainly common practice to use the industry standards as a very real source of standards to consider when making recommendations on what should be in the legislation.

For example, the fire that Minister Forbes referred to earlier that took place in Meadow Lake, Saskatchewan, the standards that are currently in place for the personal protective equipment for firefighters to wear which is consistent with what's required in the NFPA standards . . . It's my understanding in preliminary reports that that certainly saved those workers from experiencing quite severe injuries because that legislation was in place.

Hon. Mr. Forbes: — And I would just add too that the folks who make up these standards from the NFPA — and it's headquartered in Massachusetts — but the technical teams include representation from fire departments, firefighters, consultants, governments, suppliers of fire equipment and

apparatus, insurance companies, and so these are the folks who are saying what are the best practices out there. And so this would be . . . When you look to a group who would know the business, this would be the group.

The Chair: — Thank you very much, Mr. Minister. At this time I'll recognize Mr. Hart.

Mr. Hart: — Thank you, Mr. Chair. Minister, I have a number of questions dealing with the Workers' Compensation Board. Again, just to start with for our general information, we have . . . There are three board members, and I wonder if you could . . . As we had discussed last time with Labour Relations Board, I would imagine that the board members of the Workers' Compensation Board have specific terms.

I wonder if you could just give the status of each of the board members' terms, where they are, when they were last reappointed, and how much time they have left on their current appointment.

Hon. Mr. Forbes: — I'll start with Karen Smith, who is the employer representative. She's in her second year of a four-year term. Walter Eberle is in his first year of his second four-year term. And John Solomon is the Chair of the board, and he is beginning his first year of his five-year term.

Mr. Hart: — Thank you for that, Minister. Minister, earlier in this current session of the legislature I had asked the written question of yourself dealing with retroactive payments for independence allowance. And the answer that I received was that once a claimant qualifies for an independence allowance, WCB [Workers' Compensation Board] makes no distinction between retroactive or ongoing payments.

The information that I have is that there have been in the past a number of injured workers who didn't realize that they were eligible for independence allowance. And they went back to the board and were granted retroactive independence allowances, some of some fairly substantial sums of money.

I wonder if do you have . . . I would certainly like to have a more detailed answer to my question. I find it a bit surprising that the board doesn't have that information as far as the number of retroactive independence allowance payments that have been made in the fiscal years that I had asked the written questions for.

Hon. Mr. Forbes: — The answer — and it's consistent with what I said in the written answers — is they'd have to do a file-by-file search on that. And I appreciate that you may think it's unusual, but it's the practice of the board, and it's what they've always done. And so I don't know if, Peter, if you want to make further comment, but it's what we've done. So . . .

Mr. Federko: — The way that the payments are made, there is no distinction. When a payment for anything is made, frankly, it is not marked as to whether it's a result of a decision to grant retroactive benefits or simply in the normal course.

When it comes to independence allowance, it gets even a little bit less clear because of course an independence allowance is only granted upon the establishment of a permanent functional

impairment. It can take a while for the injured worker's medical condition to stabilize to the point where a physician can actually perform the permanent functional impairment analysis and determine the degree of impairment.

And then the independence allowance is based on, entitlement first of all is based on the degree of impairment. And the benefits may in fact be granted for the previous two months or four months or six months, depending on when the injured worker can meet the requirements of the policy in terms of providing evidence that indeed they meet the threshold for permanent functional impairment award. Secondly, that they in fact have to incur extraordinary out-of-pocket expenses for maintenance of daily living before we could actually undertake the process of issuing the independence allowance. So even by looking at the sum or the size of the independence allowance award, it does not tell us that it is a result of a decision to grant retroactive benefits, as opposed to granting benefits in just the normal course of processing an injury or a claim.

With respect to appeal decisions, there have been a few appeal decisions lately which perhaps Mr. Hart is referring to. And certainly, you know, those aren't as plentiful. We would know that there would have been, for example — I'm fairly certain that for the year ending 2005; I'm not aware of the 2006 numbers yet — but I believe there were nine decisions taken by our appeal department whereby there was independence allowance granted as the result of an appeal decision that would have predated the date when a decision would have been made to or not to grant independence allowance. But really without doing individual file-by-file reviews, it's very difficult to determine by looking at the numbers what would have been the result of a retroactive decision.

Mr. Hart: — Well thank you for that, Mr. Federko. I think perhaps you have clarified the issue for me. And probably in my questions I should have been more specific in asking, because that is the information that I was looking for — the number of retroactive payments that were made as a result of appeal decisions over the fiscal year starting with the 2003 up to the last fiscal year. And you had mentioned in your comments that you believe there was nine in the year ending 2005.

And I wonder if you could undertake to provide me with that information starting with 2002 and up to most current information, the number of awards that were made as a result of appeal decisions and the total amount in that fiscal year. If you could provide me with that information I would find that very useful.

Mr. Federko: — It would certainly be a far less onerous task than trying to look at the total population, because there wouldn't be that many appeals in the first place. So you know, with some time we could certainly get that information for you.

Mr. Hart: — I should have clarified that as to what I meant and so on. If you could provide that I would appreciate that.

Minister, I'd like to raise an issue with you and Mr. Federko, and it seems like there's a number of these issues that are coming to the foreground that occurred a number of years back. I recently met with a group of widows who call themselves the disenfranchised widows' group or association. And they

presented their information to myself and as far as the retroactive payback or payment back in 1999, the sum of \$80,000.

This group of women, at least that's the group that I met with, there may be also spouses who are men, but they really feel that they have been unfairly treated. They looked at what is happening in other provinces and they feel that even though they were, in their words, forced to sign a release that by and large removed from them any ability to resurrect this issue, they felt they had no other recourse than to contact myself as the Labour critic and ask me to raise this on their behalf. So that's what I'd like to do at this time.

Just very briefly for the public record, I'll just very briefly review the situation. These women were widows who had lost their spouses as a result of a workplace death prior to 1985. Upon remarrying they lost their WCB benefits. Then in 1985 as a result of the Charter of Rights and Freedoms, it was decided . . . They pressed for compensation and rectification of the issue and in 1999 the government of the day passed a piece of legislation whereby these widows received a payment of \$80,000, but contingent upon that they had to sign a release form which basically they agreed not to . . . gave up all rights to further pursue this issue in Saskatchewan. I believe that's the understanding that I have in looking at these special payment release form. It would appear that that's what they were asked to do.

Now their issue is this: they felt that they were pressured. It was a take-it-or-leave-it situation. They were not apprised of any advice as far as seeking legal advice prior to signing this. Many of these ladies were in fairly desperate straits. As I said, they had lost any of the benefits. Certainly they have remarried and that's the reason they had lost their benefits. But they just feel that they were very fairly untreated.

There has been a situation in other provinces where other governments have acted to rectify this situation. And I'm presenting their cases here, their cases tonight to you. And I would ask you, are you looking at doing anything more on this issue further to some of the other difficulties that some of them encountered? Is that because of the payment? Some of them were already receiving old age security; they had that clawed back.

There's a whole host of problems with this. They just, as I said, they just feel they were very poorly treated and they are asking for you to reconsider and look at this whole area and meet with them and see if something more equitable can't be put in place in light of what other provinces have done. And I would certainly appreciate your comments on this matter, Minister.

Hon. Mr. Forbes: — Well I appreciate the question, Mr. Hart. And I think that when this type of thing happens it's always a tough situation. And of course, clearly, there's been some movement. But at this point we're not looking at doing anything. And I was just asking Mr. Federko whether they had actually made a presentation to the committee of review, and I'll take a look to see if they did. I don't recall seeing any of the recommendations in there because we've got the draft in front of us and I've read it, but . . . And so at this point I would have to say that we're not looking at anything.

I take a look at what will be the main initiatives in terms of . . . The Workers' Comp Board over the next few years will be driven largely by the committee of review and the recommendations that come out of that, would have come out of that. We're still printing that — it should be out shortly, but that will be, that's how Workers' Compensation Board really tests the water publicly. And of course I think we're the . . . There are two provinces — ourselves and Nova Scotia — who are required to do a committee of review every five years, I believe it is . . .

Mr. Federko: — Ours is four.

Hon. Mr. Forbes: — Or every four years. So that's how we test the public — what's happening out there — and it's a way to do this independently really basically, and so when issues like this come forward, I often recommend to people to make their case heard at the committee of review because that's their opportunity. And it's not a politically driven forum and it's a venue for both, you know. It's the equal representation of business and workers. So at this point the short answer is that we're not looking at anything in that area.

Mr. Hart: — Well, Minister, you mentioned the committee of review. I'm not so sure that this particular issue would be appropriately, or is an appropriate issue for the committee of review. This seems to be a one-time, unique issue. It's not an ongoing issue whereby an injured worker finds a portion of the way the Act is structured or the administration of the Act, that this injured worker is not being treated fairly or is falling through the cracks.

You know, I would think that type of an issue certainly is a legitimate issue for the committee of review. This is a one-time, special issue, and from the information that I've been provided — and I've just received this information very recently so I really haven't had time to do all the background check work on it to verify the information — but so, as I said, the information I've been provided is that most other provinces have dealt with this issue and have tried to achieve a more balanced settlement of the issue. It seems that Saskatchewan is one of the provinces that seemed to, back in '99 that the solution was arrived at very hastily. At least that's the impression that I was given from these ladies.

And they are just simply asking that this whole issue be re-examined. And, I guess, I think perhaps a first step would be if you would undertake to meet with this group so that they could present their information and their views to you. I'm not sure whether they have. I didn't ask them that. It was a very short meeting that was fitted, that we weren't able to go into all the details necessary.

But I did say to them that I would have an opportunity to raise this issue with you this evening. And I'm sure they are looking forward to your responses with regards to this whole issue.

Hon. Mr. Forbes: — First, as always with this type of thing in terms of a response, I'd be very happy to begin with if they would write me, or I'll check and see if they have written me.

The other thing in terms of the committee of review though . . . Actually, while I appreciate sometimes if it's a individual case

isolated by itself, it may not be appropriate. But as you've talked, it's a group of people affected by one decision. So I think it would have been appropriate for the committee of review to hear it. But I'll double-check to see if they actually did make a presentation.

And I think in many cases people should make a presentation. Then they can be ruled that it's not appropriate as opposed to thinking that it's something they shouldn't take a chance on.

I might ask Peter if he can make a few brief comments about how we stand compared to other provinces. And we may get back to you further about how this is has been, from our point of view, responded nationally. So, Peter, if you have a few quick comments on that.

Mr. Federko: — Sure. Like with many things, it's very difficult to do an absolute apples to apples comparison when you're doing interjurisdictional comparisons. With respect to the disenfranchised widow issue, there is a fundamental difference in terms of how Saskatchewan initially dealt with the problem back in 1985. When the freedom of charters and rights became effective, Saskatchewan immediately acted upon changing The Workers' Compensation Act. So effective September 1, 1985, it removed the sections of the Act that required termination of benefits upon remarriage for those widows that were in the system. It didn't do anything to address anything retroactively because of course the Charter did not apply retroactively; it only applied prospectively.

So Saskatchewan had less of an issue, if you will, with respect to the number of widows or widowers who would have been impacted by the working of the workers' compensation legislation, than other jurisdictions. Other jurisdictions carried on for many, many years until finally the issue came to a head in the courts in British Columbia, and that matter was settled in the court. Saskatchewan didn't have a similar issue because there were only a few months, from June of '85 to September of '85, where the Charter was not being applied within the legislation.

But to my knowledge — with the exception of British Columbia who, as I said, had the matter settled in the courts — most jurisdictions have addressed the issue by offering lump sum payments similar to the \$80,000 that Saskatchewan offered back in 1999. Some may have gone up to as high as \$100,000. But again it would have depended upon whether the jurisdiction acted quickly in changing the workers' comp legislation to be consistent with the Charter, or waited until 1998 when the issue became a legal matter in British Columbia before acting upon.

So we could certainly ask for some information from our sister provinces and territories in terms of who has enacted legislation similar to ours, and provide you with the details of that if you wish.

Mr. Hart: — Thank you for that. Yes, that would be helpful. One of the issues that really seems to be a thorn in the side of these women is that they were given assurances — at least that's what they told me — that this \$80,000 would have no tax, this \$80,000 payment to them would have no tax implications, that they were assured that the province had consulted with the federal government and that they would . . . I guess the bottom

line, they'd get to, at the end of the year they'd get to keep the full \$80,000.

However the facts are they didn't, because there was a number of them that had their other benefits clawed back under federal taxation laws and they really felt that this was unfair. In fact they raised the issue with Mr. Proctor, who was a Member of Parliament at the time. And in 2001 Mr. Proctor wrote a letter which was published in the Moose Jaw *Times Herald* to the then minister of Labour, Mr. Trew, and the Premier, urging both of them to deal with this issue; to make right, I guess, the wrong that these women had suffered.

To this day nothing has been done, according to these ladies, to rectify the issue. And what they are looking for is they are looking for someone — and it would be you now, Mr. Minister, responsible for the WCB — to give an undertaking to review this whole case with a view of seeing what was done in other provinces and them being treated fairly. Because the release form that they did sign is pretty . . . They feel that it removes them of all rights and all abilities to pursue this and other matters other than bringing it to the political level which we are doing here tonight.

I just quote some of the things that the release form says, that:

. . . in consideration of the sum of \$80,000, release the released parties of and from all actions, causes of actions, claims, demands of every nature and kind whatever, including, [and] without restricting the generality of the foregoing, any claim I may have pursuant to *The Saskatchewan Human Rights Code*, the *Canadian Charter of Rights* . . . [and so on].

And it also goes on to talk about their heirs and administrators and so on. And it said:

I also agree to immediately discontinue any action, [or] suit, proceeding of any kind in . . . [the] courts.

So if any of them had any actions, they had to agree to discontinue that. So just reading the release form it seems like sure, here's the \$80,000, but you give up all and any rights that you may have to revisit this issue. And in fact Mr. Proctor in his open letter ended his letter with this sentence.

The new government in Saskatchewan has talked about a new beginning, more humanity, humility, compassion and doing things differently. Good for you. Providing fairness and justice to a group of women who deserve nothing less is an excellent starting point.

And I think I have to agree with Mr. Proctor. You know, from the information I have now . . . I have to say I don't have the complete set of information but I felt, as we talked earlier, our legislative time frame is running out and I needed to raise this issue tonight with you. And I would ask that you, on their behalf I would ask that you give serious consideration to revisiting this issue.

Hon. Mr. Forbes: — Well what I'll do is make sure I follow up and get as much information as I can and we'll talk further about this and see what we can do. I'm not sure exactly what

can be done but I will do that.

The Chair: — Thank you very much, Mr. Hart. Before we conclude tonight's meeting, Ms. Higgins has one question that she's indicated to the Chair she'd like to ask as a matter of point of clarification.

Hon. Ms. Higgins: — Sorry. I should have asked this sooner when we were dealing with the Status of Women office. When it was initially reorganized in 2003, one of the big pushes behind it was to make sure that we had advisers and policy advisers in each of the departments and each of the Crown corporations to build into at the very beginning levels of any policy or development of programs, the issues that dealt with equity and women in the province of Saskatchewan. But during the questions that I heard, there was no comment to the advisers. Is this the process we're still following, and do we still have the advisers, the women's policy advisers, in each department and Crown corporation in the province?

Mr. Craik: — Yes we do, and I think the number of advisers in the Crowns, the departments etc., is around 32. So we still have them and they've met three times this year and they are currently reviewing the five-year action plan and getting that report ready for the minister. It's not finished yet, but yes they still have a very active role.

Hon. Ms. Higgins: — So while the pure numbers looking at FTEs for the Status of Women office and the current configuration as a unit within the Department of Labour, we've gone from 13 staff as a stand-alone secretariat to four direct staff but we also have the 32 policy advisers spread throughout government. If that's . . .

Mr. Craik: — That's correct.

Hon. Ms. Higgins: — Okay. Thank you very much.

The Chair: — Thank you, Mr. Minister, and your officials. We're very pleased to have you here tonight. At this time the committee will move on to other business that's before the committee but we'd like to thank you very much for your attendance tonight.

Thank you very much, committee members. I'd now like to deal with the final item before the committee, which is the steering committee draft report on the Standing Committee on the Economy. This item deals with proposed public hearings on the issue of trade, investment, and labour mobility. As you have before you is a proposed agenda and format to undertake those hearings that has been worked through by both the Chair and the Vice-Chair, our steering committee, as well as our researcher and committee Clerk.

We handed this out earlier this evening to give committee members the opportunity to review the details. At this time is there any comments, questions, issues of which committee members would like to discuss? Yes. I'll recognize Mr. Weekes, Vice-Chair.

Mr. Weekes: — Just want to make one clarification that we discussed and because of the time restraints, there's only going to be an advertisement placed once in the Saturday edition of

each Saskatchewan daily newspaper. We originally talked about two ads, but I guess because of the time it wasn't possible to do, but just wanted to mention that.

The Chair: — For committee members' notification, normally we would advertise twice in the weekly papers, but due to the tight time constraints we have in order to try to get these public hearings accomplished within an approximate two-month period, we needed to shorten to a single one week in the major daily papers. As I had mentioned earlier in explaining the time frames under which it would take to put together public hearings, this report before you gives you some sense as to why it takes approximately two months to undertake public hearings.

If there are no further suggestions, could I have somebody move to accept the report of the steering committee?

Ms. Hamilton: — I would move that we accept the report of the steering committee.

The Chair: — Okay, thank you. All those in favour? Opposed? Thank you very much, committee members. With this, this allows the steering committee to move forward in continuing the plans for the public hearings. The time frames for the public hearings now are put into motion. We should be in a position to advertise very quickly here, and I thank you all for your support in this undertaking. With that I would move we now adjourn.

[The committee adjourned at 21:33.]