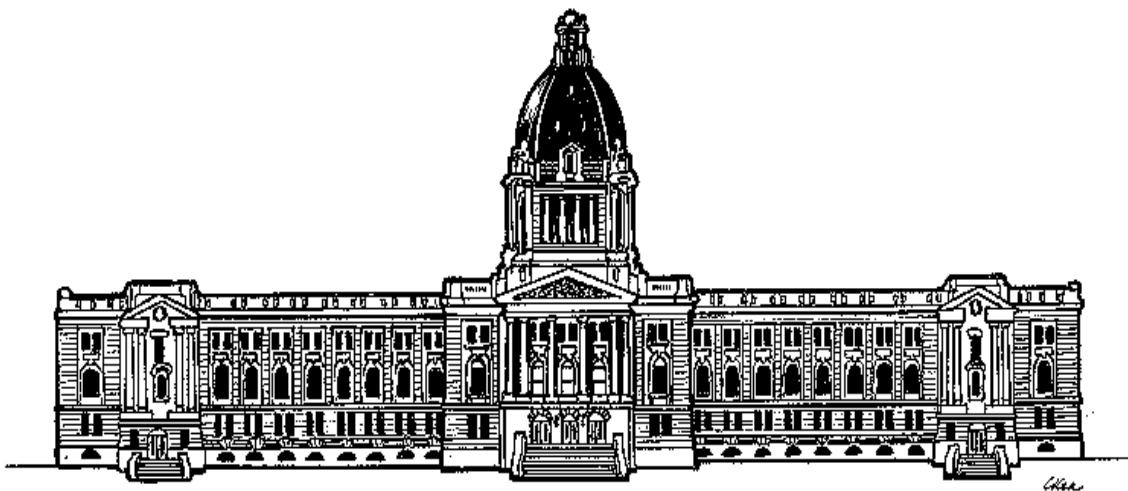




STANDING COMMITTEE ON THE ECONOMY

Hansard Verbatim Report

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Legislative Assembly of Saskatchewan

Twenty-sixth Legislature

STANDING COMMITTEE ON THE ECONOMY

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Thunder Creek

Mr. Len Taylor
The Battlefords

Ms. Nadine Wilson
Saskatchewan Rivers

[The committee met at 19:00.]

**General Revenue Fund
Supplementary Estimates — November
Innovation Saskatchewan
Vote 84**

Subvote (IS01)

The Chair: — Good evening everybody. Good evening to the members of the committee tonight, of the Economy. And we're here tonight to look at the Innovation Saskatchewan vote 84. And I guess before we begin, Minister, you want to introduce your official with you, your chief of staff. And if you have a preamble, feel free to start off.

Hon. Mr. Boyd: — Thank you, Mr. Chair. Joining me here this evening is Laurie Pushor. He's my chief of staff. And we felt that there wasn't a need to bring the one official that we might consider bringing down from Saskatoon for this. We were optimistic that we might be able to deal with the questions as they arise.

I do have a few comments, Mr. Chair, to begin with. Innovation Saskatchewan has been established to act as innovation lens across government. In the current year, we intend to establish Innovation Saskatchewan as an independent coordinating body for government. This budget allocation represents a pro-rated amount for the balance of the current year being transferred from Enterprise Saskatchewan.

We are mandated to provide overall coordination of government of research and development, innovation spending, establish an overarching innovation strategy for government. This would set a strategic leadership for priority areas led by the ministry. The objective is to promote inter-ministry coordination and co-operation, support, and monitor specific priority area strategies, consider programs or strategies to support multi-sector innovation initiatives. This might include major investments such as carbon capture or isotope research.

The resources being transferred support five full-time equivalents being transferred from Enterprise Saskatchewan, overhead expenses to support the activities of the organization, contract resources to specific initiatives which amount to approximately \$600,000. TRILabs conducts work in telecommunications and other areas. FPIInnovations research, the company works in the support of the forestry industry located in Saskatoon.

Mr. Chair, I would be happy to entertain any questions committee members may have.

The Chair: — Thank you, Mr. Minister. Mr. Taylor.

Mr. Taylor: — Thank you very much, Mr. Chair, and welcome to the committee, Minister, and to your chief of staff. As you have noted in your opening remarks, we're dealing with Innovation Saskatchewan, vote no. 84. This is the first time this committee has had an opportunity to review Innovation Saskatchewan, although in the spring during estimates on the budget, we did have an opportunity to ask some questions under

Enterprise and Innovation. So I will probably be asking a few general questions to get an idea, this being the first time we're looking at Innovation Saskatchewan itself. So I'll be asking a few general questions just to get an idea of how the agency is being structured.

As I understand it, this being November the 24th, the agency actually began operation only on November the 2nd. Is that correct?

Hon. Mr. Boyd: — I think that's correct.

Mr. Taylor: — Thank you very much. You had indicated there could be one official coming from Saskatoon. I don't know this, but that was going to be my first question. Where will Enterprise Saskatchewan operate out of? Where is the office?

Hon. Mr. Boyd: — Saskatoon.

Mr. Taylor: — Okay, Saskatoon. At Innovation Place? Okay. Does it have an office that it operates out of independently, or is it sharing space with another agency, group, organization? Is it an independent space?

Hon. Mr. Boyd: — Currently sharing space with the Enterprise folks. That may change and they may look for a stand-alone office.

Mr. Taylor: — Okay. Currently then, within the budget numbers that we're looking for to the end of the year, what do you see the space cost being when we're doing the administration work on the space? What's the rent, I guess, is the easiest question to ask. What's the rent on the space?

Hon. Mr. Boyd: — 10,500.

Mr. Taylor: — For a year or for a month?

Hon. Mr. Boyd: — Pardon me? For the remaining amount of this year.

Mr. Taylor: — For the remaining amount of this year. Okay. How will the administration be structured within Innovation Saskatchewan? In other words, who's paying the bills? Who's helping the senior people do the budgeting? Who's keeping track of things? Can you give me some idea of how the administration within IS [Innovation Saskatchewan] is structured?

Hon. Mr. Boyd: — Currently Energy and Resources provides that by administrative support agreement.

Mr. Taylor: — By an agreement. That's an interesting way to put it. Somebody at Innovation Saskatchewan signed an agreement with Energy and Resources to do this. It's a formal agreement, a written agreement? Or simply something that's been determined internally?

Hon. Mr. Boyd: — That isn't concluded at this point in time, but that's how we envision it.

Mr. Taylor: — Okay, so it's not yet in place, but Energy and

Resources will manage . . . And I'm assuming Energy and Resources will receive some fee for these services? Will there be an exchange of some sort?

Hon. Mr. Boyd: — Well again that's to be worked out. I would say that if there is any fee, it would be pretty darn minimal.

Mr. Taylor: — Okay. How many employees of Innovation Saskatchewan are there accounted for in the funds in front of us?

Hon. Mr. Boyd: — Five.

Mr. Taylor: — Five? What would those five be doing? What are the jobs of the five employees?

Hon. Mr. Boyd: — Well there are . . . obviously someone is in charge. There's some administrative support, that sort of thing.

Mr. Taylor: — Okay. I'll get to some of this a little bit later. But your opening remarks indicated that one of the jobs of Innovation Saskatchewan is to act as an innovative lens across government. So who of these five employees is managing the lens, the co-operation, the work, the liaison with other ministries and agencies within government?

Hon. Mr. Boyd: — The person that we appoint as the CEO [chief executive officer] will be in charge of that.

Mr. Taylor: — Any of that been done yet? Is there a CEO in place?

Hon. Mr. Boyd: — No.

Mr. Taylor: — Okay. Is there a hiring process in place yet? Process, I'm not quite sure how you plan to do this. How do you plan to put the CEO in place?

Hon. Mr. Boyd: — We are looking at people that are transferring from Enterprise Saskatchewan to look to head up this organization. Already existing employees.

Mr. Taylor: — Okay. Of these five employees, do you anticipate all of them to come from Enterprise? Will it be a direct transfer or will there be others?

Hon. Mr. Boyd: — There would be four, and one admin position that's currently vacant that we are looking to fill.

Mr. Taylor: — Okay. Do you anticipate that all five accounted for in these estimates will work out of the Saskatoon office?

Hon. Mr. Boyd: — I believe so at this time, yes.

Mr. Taylor: — And do you anticipate there'll be very much travel involved in the jobs of any of those five?

Hon. Mr. Boyd: — I suppose there could be some down to Regina here on occasion, maybe on occasion to conduct discussions with companies in the innovation area.

Mr. Taylor: — Okay. The basic . . .

Hon. Mr. Boyd: — There is a modest amount of travel and expenses accounted for here of \$7,500.

Mr. Taylor: — All right. Maybe I should ask that basic question. I do have some interest in how it breaks down, but perhaps you could . . . If you've got a breakdown, how is the \$520,000 arrived at — administrative salaries, travel, that sort of thing.

Hon. Mr. Boyd: — Well 399,000 would be in core operations, and the balance would be in programming.

Mr. Taylor: — Okay. I may have to come back to that in a little bit. So I know when ministers have taken on the job of being a minister, they received a mandate letter from the Premier. Have you received a mandate letter for Innovation Saskatchewan?

Hon. Mr. Boyd: — No. I think that was a part of the discussions with the first minister as part of Innovation, when it was part of Enterprise.

Mr. Taylor: — So you would assume your mandate then is simply an expansion or an extension of the direction that was provided to the individual who was Minister of Enterprise and Innovation before the split of the agencies?

Hon. Mr. Boyd: — In a manner of speaking, I would say yes.

Mr. Taylor: — Okay. The next question I have actually comes in two parts. The second would be a little bit later in my organized questions here.

But in addition to yourself and the staff of Innovation Saskatchewan, there's a board. I understand that you've indicated recently that a board would be appointed shortly. Can you tell me what the status of the development of a board or appointment of a board is?

Hon. Mr. Boyd: — We are currently speaking to a number of individuals about appointment to the board. We haven't made any full decisions with respect to that just yet.

I'm sure you would appreciate from time to time people express interest, and then they also think about it for a little while, and then they may not be quite as interested as they would have thought. Or they look at it and say, I'm not sure I can commit to it time-wise, some of those types of things.

So it's not quite as simple as just appointing or, you know, setting out the names. It's almost a process of making sure that you get the right, qualified people, but also people that have the time and availability to be able to serve.

Mr. Taylor: — So I'm assuming, given the language that you used there, all members of the board will be appointed by yourself, I'm assuming.

Hon. Mr. Boyd: — By the cabinet of the Government of Saskatchewan.

Mr. Taylor: — Okay. Is there a formal process that fits the description that you just gave us? Is there a formal process

that's written down somewhere that indicates how individuals will be . . . what type of individuals will be sought and the types of questions that would be asked of them prior to their appointment?

Hon. Mr. Boyd: — I wouldn't say a formal process necessarily. What I would say is an interview process speaking to them about the direction that the government envisions going with Innovation and discussing where they may fit in, looking for people to be representatives from various industry sectors, perhaps people that are a part of the research community already existing — things of that nature.

Mr. Taylor: — I take it then there's no formal criteria to be a board member? Or is there a criteria of sorts that you're trying to follow?

Hon. Mr. Boyd: — I don't think I would say there's necessarily any formal criteria. I think I would indicate that people who obviously have an interest in this have some degree of expertise that they can lend to the process and, in some cases, may work in the field as well.

[19:15]

Mr. Taylor: — And what will the formal role of the board be?

Hon. Mr. Boyd: — I think to assist in the development of the whole Innovation agenda, to help evaluate in terms of projects that Innovation Saskatchewan may be interested in pursuing or funding in the future, to provide leadership support to the employee team.

Mr. Taylor: — Is this, after appointment, an independent board? I guess when decisions need to be made, staff is given certain direction, etc., but does staff take the direction from the board? Do they take the direction from the minister?

Hon. Mr. Boyd: — Take direction from the board.

Mr. Taylor: — Okay. And what's the relationship then between the board and the minister?

Hon. Mr. Boyd: — I would say it would be a relationship where there is, recommendations go to the minister, the minister in turn reporting to cabinet for either direction or decision.

Mr. Taylor: — Okay. And does the process of board meetings involve the minister, or will the board be simply communicating to the minister at some point?

Hon. Mr. Boyd: — Just as it is with almost all boards, I think it is the . . . On occasion I think the minister could or may want to speak to and address the board. I don't see that as something that would happen in a real formal sense or on a frequent basis, but on occasion.

Mr. Taylor: — I guess what I need to understand a little bit here is . . . and I apologize if I appear to be naïve, but I want to get a full understanding of this. Innovation Saskatchewan is established by legislative authority and it is an agency of government. How do we define agency? What makes Innovation Saskatchewan different as an agency than as an arm

of a ministry or functioning in another fashion within government? I'd like to understand what the definition of agency is.

Hon. Mr. Boyd: — Well I'm sorry, I'm not sure I'm following you or can help you there. What are you getting at?

Mr. Taylor: — Well Enterprise and Innovation was originally created as a ministry and had the ability to operate. Now we have two separate agencies: one agency is Enterprise, of course. Another agency is Innovation. But within other ministries, there are boards that perform government functions without an agency attachment to it, or without the title, agency. Social Services, for example, has a number of departments with independent boards. The Department of Education has a number of boards that function under it. They aren't agencies.

I'm just trying to understand what the rationale for the establishment or the creation of a legislative agency was, as opposed to just having the operations of what Innovation Saskatchewan will ultimately do just under a minister of government.

Hon. Mr. Boyd: — Well I suppose there's always different ways you could set up these things. We've chosen this as what we thought was the best avenue to pursue it, to pursue having a board structure with expertise from various areas and people from within the research areas that we were already involved in, in Saskatchewan these days acting as a board to advance the agenda, but also to evaluate programs coming forward and the minister acting as board Chair.

Mr. Taylor: — Okay. Actually I'm glad you added that last part because that was something that I was interested in. So just for clarification purposes and to make sure I've got it clear, the minister will be the Chair of the board of Innovation Saskatchewan?

Hon. Mr. Boyd: — Ultimately the Chair of the board, yes. And I wasn't quite clear on your earlier question. The minister would be the Chair of the board, but the board would have a structure that oversees the operations.

Mr. Taylor: — And could meet or function without the minister being present?

Hon. Mr. Boyd: — On occasion, yes.

Mr. Taylor: — How often does this budget anticipate the board would meet once it's appointed and functioning?

Hon. Mr. Boyd: — I think that at the call of the Chair there would be meetings structured. I don't see it sitting all that often in the initial start-up. We may look at a more regular basis in the future.

Mr. Taylor: — So what financial arrangements do we see there for board members? Is there a per diem for a board member? Obviously I'm assuming there's expenses to be paid — travel or hotel or those sorts of things. Number one, what are the financial arrangements for board members, particularly per diem rates? And number two, when we talked about the budget earlier — 399,000 for core operating — I'm assuming that any

board costs would be in the core operating part of your description.

Hon. Mr. Boyd: — That's correct. In this allocation there is \$5,000 set aside for board-related expenses which would include per diems, which hasn't been finalized at this point, but along a similar line as what we would see with Enterprise.

Mr. Taylor: — Okay. And just for clarity's sake the per diem is along standard civil service lines? It's nothing extraordinary or special about the per diem rate for board members.

Hon. Mr. Boyd: — No.

Mr. Taylor: — So we have five months left in the year I'm assuming if we count . . . This budget must account for about five months, November through to the end of March. I just did a quick division that shows about \$104,000 per month in expenditures. Would I be in the ballpark with doing that quick math or are there set-up costs or other costs that are in this \$520,000 that would make the monthly operating costs different than what I have suggested — \$104,000 per month?

Hon. Mr. Boyd: — I would say your math is in the ballpark.

Mr. Taylor: — Okay. So nothing really special because you're in the same building. You aren't renovating office space or not having to move anybody around or any of those things. It's just a matter of naming the people, identifying the desk, and going to work.

Hon. Mr. Boyd: — Correct.

Mr. Taylor: — So when we think of this in terms of core operating costs and programming, we're going to finish out this year. We're going to get the board in place and get it operating. We're going to get staff organized and in place and developing the role that Innovation Saskatchewan has to play.

How different will Innovation Saskatchewan become in the budget year following this? Can we assume that the costs will be in that \$104,000 ballpark from April 1st on? Or do you see some substantive changes as these five months unfold towards year-end?

Hon. Mr. Boyd: — Well I guess I would say I'd always be reluctant to speculate about those kinds of things at this point in time. We are, as you would know, starting to look at the call for estimates from the Department of Finance for next year. Of course none of that is finalized at this point in time, nor would you expect it to be, I don't think.

It is certainly anticipated that this is going to be a pretty lean organization in terms of being able to look at programming, to look at innovation research, to look at projects coming forward and then make decision with respect to them. So while I would say that I think I would accept that sort of the general premise of your question in terms of ensuring that it's pretty modest in terms of its budgets, things of that nature, I would also want to be hesitant to suggest and peg it at that, at this particular time, until it goes through the rigours of Treasury Board and cabinet finalization.

Mr. Taylor: — Okay. I think that was the essence of what I was trying to get at here. This is the time of year that ministers are generally looking towards the budget planning for 2010-2011. So I'm assuming that in your other capacity as Minister of Energy and Resources, your ministerial team is reviewing what it's going to bring before Treasury Board.

So I was just trying to get a handle on . . . Here, we're just getting started and don't know exactly what our costs are going to be, although they seem to be, as you said, pretty minimal. So you aren't planning anything significantly different for after April the 1st than sort of what we're seeing in front of us today.

Hon. Mr. Boyd: — Not at this point, no.

Mr. Taylor: — Okay. So I want to just take a little step back again now and just review how we got to this point. I'm not trying to get at anything here. It's kind of a softball question, Minister, but why do we need Innovation Saskatchewan?

Hon. Mr. Boyd: — I think we want to have some degree of coordination between the various research areas that the Government of Saskatchewan is involved in. There are many, many areas that the government is involved in, spending some couple of hundred million dollars in terms of research and development across a number of ministries. We're trying to bring some degree of coordination between them to avoid overlapping research or to simply provide what we think is perhaps a better structure to the whole process.

We also want to provide a very clear window for, I would say, individuals or companies with innovative new ideas or products or developments to be able to access the various research components of government, whether it be the SRC [Saskatchewan Research Council] or the PTRC [Petroleum Technology Research Centre] or entities like that, so that people have a clear understanding of where you might be able to access that.

And when I say that, I would want to separate the two. If it is clearly an enterprise, then that person would be directed towards Enterprise Saskatchewan. If it is something more of an innovative new idea or product development, things of that nature, then of course it would be more directed towards Innovation.

And I'll maybe just use an example which might hopefully be helpful. And I won't mention any company names or anything else like this. It provides sort of a general overview. Occasionally, as you would know, governments are approached by companies with various product development things that they are working on. Some of them clearly have some promise, I think you would say, and you had helped through that. Some of them need further advancements in terms of product development.

Agencies like the Saskatchewan Research Council are extremely good at helping to evaluate those things or test those types of things to provide some degree of support. Often these companies are at the very early stages of development — very, very early stages — and often financing is very, very difficult for them to achieve or in fact almost impossible to achieve because there's a long leap between an idea and an actual

product on a shelf somewhere or an innovation of some sort.

So it's to provide some degree of support for those types of things and help direct them to where that help might be available. And as an example of that, I guess I would say that, you know, we've been approached recently by a company who has some, I guess I would say, a very innovative new thought or research that they are doing in terms of heavy oil development and upgrading of it, of heavy oil.

[19:30]

It appears that, according to all of the information and the evaluations that have been done by various agencies, that this may hold some potential. But it's still a long ways between there and actually having a product that they can go to a, you know, a producing oil company and say, here's what we have; are you interested in purchasing this technology or development that we have?

So helping to provide that kind of support to small entities as they come forward, or even large entities for that matter, we think is the role of Innovation Saskatchewan — not picking winners and losers, but simply helping to provide some degree of support at the initial stages and work through the technical challenges of their development.

Mr. Taylor: — Okay. Not something that I particularly wanted to go to in my questioning here, but when you talk about winners and losers, we did go through that a couple of times under budget discussions in the spring. When you use the word not picking winners and losers, anytime a group of individuals or an individual evaluates a proposal, that proposal has the potential to be a winner or a loser. Somebody picks something to support. Sometimes you pick correctly. Sometimes you don't. Sometimes the research pays off. Sometimes it doesn't. Sometimes the people you choose to work with have the ability to do what you want them to do. Sometime they don't. A very subjective thing.

Would you disagree that when proposals are reviewed, there's a chance that they may not be as successful as they appear and that in fact there is some picking of winners and losers in the process to be made?

Hon. Mr. Boyd: — Well there are always, of course there are choices to be made. But I think where the distinction is, is that when I point towards winners and losers, I would say that it is our view that government shouldn't be directly involved and investing or subsidizing mature industries.

And there's been lots of examples of that, of the government looking at them, making the evaluation, making the political decision, I would say probably, to go forward and get either directly involved in business — buying out businesses, starting up new businesses or partnering with businesses. And I think, unfortunately for the taxpayers of Saskatchewan, the record has been abysmal by previous administrations losing hundreds of millions of dollars.

I don't envision that happening in this type of approach, where you are providing support at the beginning for new innovations in terms of research and development, but not saying to them,

we want to take an equity position in your company, or we're going to provide you with a grant for the start-up of it, particularly as I say when you're looking at mature industries. I think there's lots of good examples of that — the potato industry, the hog industry, the telecommunications industry, numerous ones of that nature — where the people of Saskatchewan at the end of the day were left holding an empty bag.

And I don't think that that has served government very well. And I'm not sure that government is very well equipped to make those decisions in terms of evaluating them. Or at least if they are, you would think there'd be a much better track record in that area.

So I think it's our view that if we can provide some degree of coordination in terms of the research and development that we do in Saskatchewan, helping at the very early stages to get the company or an individual over the hump in terms of the research that they are doing, then maybe they will have a much greater rate of success when they approach the marketplace. Rather than helping them in some cases through those stages and then saying to them, not only are we going to do that. We want to take an equity position in your company. We want to partner with you. Or we want to simply take the thing over . . . which has been the experience of the past in Saskatchewan, and it's been one that's been chequered with horrible failures, that I think the resources would've been much better dedicated to other areas, priority areas of government.

Mr. Taylor: — Thank you, Minister. You're taking me somewhere I don't really want to go. I think I'm going to not have enough time to ask all my questions that I have here. But when you say previous administrations — I'm assuming there's an S on the end of the word administrations — and previous administrations with their abysmal record goes back into the '80s, I'm sure is what you're referring to.

And I also believe that when you refer to mature industries you're also talking about oil and gas and mining and forestry in your comments. Am I correct?

Hon. Mr. Boyd: — Yes, you want to take it back far enough; we can go even back further than that, right to various things that government were involved in — everything from the absolute crazy notion surrounding tanneries and things of that nature in the past.

Mr. Taylor: — I just want to go back to 2007. I'm not quite sure I want to go back all the way to the '30s and the '40s. But in 2007 Innovation Saskatchewan kind of had its genesis. After the 2007 election, a minister was appointed, a minister of Enterprise and Innovation. At that point it was pretty clear of sort of the corporate side, the science side, the academic side. What was the motivation to go from one minister responsible for two areas of government to having two ministers and two agencies?

Hon. Mr. Boyd: — I think to provide that necessary degree of separation between enterprise — the attraction of enterprise or the assistance to an enterprise, perhaps even in the mature industries — and the innovation side so that people would clearly have in their mind when they're approaching

government, does my project, innovation, whatever you have before you, does it fit more within the box of Enterprise, the attraction of investment to Saskatchewan? I would say those types of things would fall clearly towards Enterprise. If it is more related to research and development, I would say those would be much more related to the Innovation file.

And I think the important distinction here is so that people don't automatically assume, as often they do, that not only are you prepared to go through the innovation and work with them on that, but you're also prepared to take that next step and provide either some direct subsidy or support to them. We want to make it clear to companies and individuals that that's not what we're prepared to look at.

Mr. Taylor: — So sort of what I was getting at is, here we are two years later, and we're just created the agency by legislation. If the intention was in 2007 to actually separate these two pieces, why weren't they originally separate as opposed to being brought to the people of Saskatchewan as a package and then now separated with separate budgets and separate administrations two years later?

Hon. Mr. Boyd: — I think through the first two years of the government's mandate, I think it was determined that unfortunately there was that connection being made by people when they approached government, that not only were you going to provide some degree of research support and development support, but you were also going to take the next step. And we found all too frequently that people felt that that was somehow the role of government. Well that may have been the role of government in the past, but it certainly isn't the role of government that we see in the future of Saskatchewan.

And that's where we found that there was this constant expectation — which I think has been fostered by administrations of the past in terms of that type of arrangement — that there was a need to disconnect them, to make it clear to people that we view the government's role as to not be in business but to assist companies to either get into business, provide them with the tools through Enterprise to look at investments in Saskatchewan, you know, coupling them with either with partners or perhaps even where they might be able to find financing — all of those types of things. Or is there more focus in terms of going towards the innovation side of things which is where the other side of it would be housed?

Mr. Taylor: — Okay. So correct me if I'm wrong, if I understand you saying the move to an agency was evolutionary, that it didn't begin that way in 2007, but through various interpretations of public response or general response, that it was felt that you needed to move to two separate agencies.

Hon. Mr. Boyd: — I think it was always, at some point in time, the wish of government to have an innovation agenda so that we can look towards having support for other areas in terms of development in Saskatchewan so that we're not tied to, what I guess I would call, a traditional areas of our economy in Saskatchewan — agriculture, although there's often research work that's done in there. We want to transform, try to work towards transposing the economy of Saskatchewan into a much more diverse economy than we have currently, diversified economy.

So I guess I would say that while there was always the view that there was two parts to this equation — innovation and enterprise — what through the first couple of years of being, it was clear to us that there was some expectations that people may have had that were incorrect about what the government's priority might be in that area.

Mr. Taylor: — Okay. I may come back to this again if I have enough time, but I don't want to lose track of some of the key parts that are in this item in front of us in supplementary estimates. What we're seeing actually is a transfer of funds previously budgeted for Enterprise Saskatchewan. Is that correct?

Hon. Mr. Boyd: — Yes.

Mr. Taylor: — So what is the impact then, if any, on Enterprise Saskatchewan? They're losing some people that were working within that agency. The reason I ask you this of course is these estimates don't give us an opportunity to see the Minister of Enterprise. We can't ask the Minister of Enterprise whether there's any impact there or not. So I ask you as our only opportunity to find out if this split off of funds has any impact whatsoever on Enterprise Saskatchewan.

Hon. Mr. Boyd: — I would say that it doesn't. I would say that the people that are going to be moved into this area were working in the area of innovation. Now we're separating those two agencies to provide, as I've said, to identify the priorities of government for either innovation or enterprise.

I would think that there would be very little negative impact, no negative impact on Enterprise Saskatchewan.

Mr. Taylor: — My other question then, given the way the budget was crafted, the transfer of funds, do you have full confidence that the allocation in front of us is enough money to get us to the end of the year? Is there any chance that we'll see you again after third quarter and before the end of the year with other supplementary estimates? Is this enough money to get you through? Are you confident of that?

Hon. Mr. Boyd: — We are.

[19:45]

Mr. Taylor: — And I guess just to be completely clear, this transfer of funds is entirely from Enterprise Saskatchewan. There's no other department or ministry or agency involved in this transfer at all. These funds come, 100 per cent, from the allocation previously provided to Enterprise Saskatchewan.

Hon. Mr. Boyd: — That's correct.

Mr. Taylor: — In question period today, we heard that when the P3 [public-private partnership] secretariat transferred from Government Services to Finance to become the efficiency secretariat, we learned that its budget increased by about 60 per cent. The efficiency secretariat hasn't begun its work yet, and yet we see this incredible increase in expenditure of 60 per cent. The minister has simply said the transfer in this case from Enterprise to Innovation is a clear, clean transfer. Can he guarantee that we won't see the same thing that occurred in the

transfer of the P3 to the efficiency secretariat?

Hon. Mr. Boyd: — Well, Mr. Chair, I'm not here to comment on that. I'm not familiar with the details of what you're describing there. But we feel that this is the only required funding that Innovation will need for the remainder of this budget year.

Mr. Taylor: — One other question along this line to clarify the budget for the next five months, we also learned in question period, or certainly heard, that in the transfer of the P3 secretariat to the efficiency secretariat, the person in charge who transferred from one secretariat to the other received a considerable raise in pay.

Can the minister assure us that the people transferring from Enterprise Saskatchewan to Innovation Saskatchewan will not be seeing increases in their salaries? Or if there are increases, can he indicate what the wage levels are for Innovation employees compared to what they were as Enterprise employees?

Hon. Mr. Boyd: — Well I would say that that hasn't necessarily been determined at this point in time. The person that we may ultimately come up with for, in terms of the executive search, for the . . . to establish the person at the highest end of the Innovation file may indeed be looking to additional responsibilities and would look towards a higher salary grid, although they would be within the budgeted amounts what we are seeing here.

Mr. Taylor: — Okay. So at some point, we may have other questions about the individuals and their salary levels and that sort of thing. Just thinking about efficiencies makes me think about models that are used to establish an administrative entity. Can you tell me what model of agency is being used in the set-up of Innovation Saskatchewan to avoid perhaps inefficiencies of starting from scratch?

Hon. Mr. Boyd: — Mr. Chair, I'm not sure I understand quite your question. What are you referring to? A governance structure or what?

Mr. Taylor: — Yes. Earlier I asked sort of the idea to explain what an agency is as opposed to . . . So is there, when the structure of Innovation Saskatchewan was developed, was there a model used to develop that structure? Because if we're starting from scratch, recreating the wheel, I mean was the model for Enterprise Saskatchewan used in creating Innovation Saskatchewan? Or was the model more like that for, say, the Housing Corporation or some other body that has a board and a relationship with a minister? Was there actually a model used in the establishment of this, or did people just put together plans that they think would work?

Hon. Mr. Boyd: — I would say more along the lines of the Enterprise set-up. Let's be clear here. There's only five employees here. We're not setting up General Motors. There's five people here. There isn't a very wide-ranging, you know, core differences in terms of responsibilities. There are, you know, one or two administrative support folks and then there are people that are going to be doing the day-to-day work of providing advice and direction towards companies or

individuals that come forward, assisting them in that certainly, and then taking and developing, you know, recommendations to the board in terms of whether or not this is a project that has some merit that the board might want to evaluate.

Mr. Taylor: — Okay. Maybe my next group of questions might help me and others to further understand this. In your opening remarks, you talked about an innovation lens across government. You used the phrase, promoting inter-ministry co-operation. The notes to the supplementary estimates talk about *The Innovation Saskatchewan Act* or Innovation Saskatchewan established by the Act is "responsible to coordinate the province's research and development expenditures" and a number of other things.

So we're looking at a lens across government, inter-ministry co-operation, and in the Supplementary Estimates book "responsible to coordinate the province's research and development expenditures." Five people, little office, don't expect very much.

Coordinating research across government. Government supports a lot of research in quite a number of ministries. You would be familiar with research in energy no doubt given your other portfolio. Can you tell us or can you explain to me what inter-ministry co-operation, what coordinating the province's research and development expenditure means?

Hon. Mr. Boyd: — I guess I would say to provide some degree of oversight for the various areas of government, the various ministries that have some degree of research and development components to them so that we can ensure that we aren't seeing overlapping, either jurisdictions or projects, things of that nature, so that we get the best bang for the dollar, research and development dollar, that government puts forward.

So I think that in the initial stages, I think this can help provide a better lens on that to coordinate those activities better in the future.

Mr. Taylor: — Right now, I don't know how many people in the Ministry of Energy are needed to review and coordinate research contributions. I can't tell you how many people in Agriculture are required to evaluate proposals and support agricultural research. I can't tell you how many people in Health are required to evaluate proposals and coordinate support for health research.

How do you anticipate this little team in Innovation Saskatchewan to coordinate the province's research expenditures when, right now, they are quite well entrenched with considerable support, human resource support, within the other ministries?

Hon. Mr. Boyd: — I don't see any of that changing in terms of what the other ministries are doing, unless there is overlap and some degree of coordination that is needed.

So to use an example, I guess I would say that if you were looking at an energy-related concern, you know, the PTRC might be a good example of that. Energy and Resources would still be involved in terms of the programming there. But they may not be aware of the fact that there is research going on in

another area of government that is very, very similar in nature. That should be able to provide better support.

So it's simply the tool to evaluate whether as government we are getting the best use of . . . whether there is the best use of taxpayers' dollars in terms of that. So they wouldn't go in — this team, as you characterize it — they wouldn't go in and evaluate the PTRC's budget or what they are doing. They would only look at it and say, what are the areas of research that you are doing? And then they would also, because of their function of an overarching lens here, they may be able to say to them, we're not sure that that's the best use because that research is already being done with maybe the SRC or someone like that. So can we provide better coordination between what you are doing and they are already doing?

Mr. Taylor: — So when the folks in the PTRC are reviewing research grant applications or the people in the Ministry of Health are reviewing grant applications for health research or in Agriculture with the University of Saskatchewan or with the synchrotron or VIDO [Vaccine and Infectious Disease Organization] or they're reviewing any sort of research program, do you see them having to share all that information with Innovation Saskatchewan on an ongoing basis? Or do you see somebody from Innovation Saskatchewan visiting them and reviewing their files on occasion? How do you envision this unfolding?

Hon. Mr. Boyd: — I think what I would envision is that they would be aware of what kind of work that the PTRC, to use your example, is doing. And if there is work of a similar nature going on elsewhere, we could provide some degree of coordination, either between the research, or simply say that that shouldn't necessarily be a priority for what you're doing here because that research is being done in another area of government.

Mr. Taylor: — So you do not foresee the day when the evaluation and granting of research support would be removed from any of the ministries and brought under the umbrella of Innovation Saskatchewan?

Hon. Mr. Boyd: — I'm sorry. I missed the first part of your question.

Mr. Taylor: — Instead of putting it in the negative, I'll put it in the positive. Do you see the day when evaluation and financial support of research proposals would be removed from ministries — Agriculture, Energy, Health — and brought under the umbrella of Innovation Saskatchewan?

Hon. Mr. Boyd: — No I do not. Again what we are attempting to do is to provide some degree of coordination to ensure that we're getting as efficient research and development, the use of research and development dollars, also to look at monitoring outcomes, that sort of thing, to provide that, as I say, a lens on innovation to be sure that we're getting the best value for the taxpayers' dollar.

The Chair: — If I could just interrupt here, I just noticed that we're coming close to the allotted hour. But having said that, the member's more than welcome to continue on for as long as he would like to. As noted today and in the past, yesterday as

well, the committee is prepared to sit to midnight and go on if you'd like to. So I'll let you decide, Mr. Taylor, what you'd like to do.

Mr. Taylor: — I'm actually nowhere near the end of my series of questions here. We haven't even got to one of the other mandates that does exist within Innovation Saskatchewan, which is the whole mandate of direct support with financial contributions from government. No I certainly have no interest in going to midnight. I scheduled myself, even though I had lots of questions, basically on the 7 to 8 timetable that was allocated. I realize that I originally had asked for an hour of time, but the minister has been so generous with his answers that I've underestimated my need for time.

[20:00]

The Chair: — Well for the record, for the record, we are prepared to sit to midnight tonight unless you wish to call the clock now and end. And as you noted for the record, you have many more questions and this committee is prepared to sit until midnight if you care to continue.

Mr. Taylor: — Actually we've come to a very good place to break. So I would call the clock.

The Chair: — Having noted that Mr. Taylor has called the clock on this committee, we now will stand adjourned. Thank you.

[The committee adjourned at 20:01.]