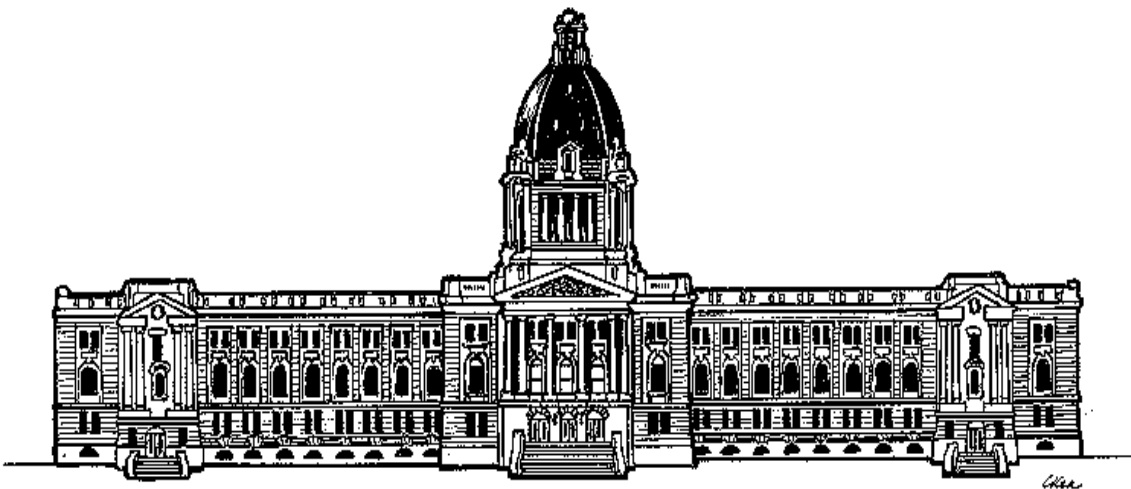




STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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Mr. Warren McCall, Deputy Chair
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Regina Dewdney

Mr. Scott Moe
Rosthern-Shellbrook

Mr. Roger Parent
Saskatoon Meewasin

Mr. Randy Weekes
Biggar

Ms. Nadine Wilson
Saskatchewan Rivers

[The committee met at 19:00.]

The Chair: — Thank you. Today we're at a Crown and Central Agency meeting. We have two substitutions. Substituting for Gene Makowsky is Mr. Jim Reiter, and also substituting for Warren McCall is John Nilson.

The first thing up on the agenda . . . Excuse me. We also have some documents to table. Tonight's agenda includes consideration of estimates for Information Services Corporation; consideration of Bill No. 6, *The Miscellaneous Business Statutes Amendment Act, 2011*; consideration of Bill No. 7, *The Co-operatives Amendment Act, 2011*; and consideration of Bill No. 8, *The Land Titles Amendment Act, 2011*.

We also have a number of documents to table which have all been distributed to you. You will also have received a list of the seven documents we will be tabling. These are the annual reports and financial statements for various Crown entities and the annual reports for the Ombudsman.

We will begin with vote 159, the Information Services Corporation's loan, subvote (SL01). This vote is statutory.

**General Revenue Fund
Lending and Investing Activities
Information Services Corporation of Saskatchewan
Vote 159**

Subvote (SL01)

The Chair: — We have with us today Minister McMillan and his officials. I would ask the minister if he would introduce his officials. And one thing I will say to the officials, the very first time you come up to the mike, just identify yourself. After that you don't have to. And if the minister also has a providing . . . if he has an opening statement, he may provide that at this time. I turn the floor over to the minister.

Hon. Mr. McMillan: — Well thank you, Mr. Chair. I'm pleased to be here with officials from Information Services Corporation to answer your questions in regard to the budget for this fiscal year. Before I introduce my officials, I'd like to take a moment to discuss the successes of ISC [Information Services Corporation of Saskatchewan].

As a corporation heading into its second decade, ISC is focusing on renewal and innovation. ISC has grown to focus on more than land titles to include the vital statistics registry and the corporate registry, along with its diverse service. When you look at it, ISC is often the first stop for a person or business as they take the next steps towards greater success. ISC authenticates and validates the information that supports the many milestones in the life that affect us all — official documentation of birth, death, and marriages, proof of incorporation and ownership of a business, and the final word on what land you own and its boundaries and what its boundaries look like, and if there are any liens against equipment or property you own.

Notable accomplishments from this past year, the launch of the

Business Registrations Saskatchewan to provide new business owners with one easy-to-use online process to complete the steps required to register: a business with the corporate registry, as an employer with the workmen's compensation board, and the provincial sales tax with the Ministry of Finance.

ISC fully integrated the corporate registry into offices and processes in 2011, following the formal transfer from the Ministry of Justice in 2010. And ISC moved forward with foundational steps to modernize the vital statistics registry by implementing new software, converting 3.6 million documents from paper to an electronic image library and launching a new electronic process that enables funeral directors to access electronic burial permits online, 24 hours a day, seven days a week.

At the heart of each of these service enhancements are ISC customers. The corporation takes great care to engage with its customers at every turn. As ISC continues to evolve, the needs of customers will continue to drive its progress. The progressive enhancements currently under way continue ISC's focus on streamlining processes across government and making it easier to do business in our province.

This includes the addition of the Canadian Revenue Agency business number to the business registration Saskatchewan site. The business number can be used across Canada to commonly identify a business with participating public sector programs and services. ISC is also on track to meet the province's New West Partnership commitments to ensure new businesses, new business corporations can register extraprovincially on July 1st. This means when a business registers in Saskatchewan, it will also be registered in the other Western provinces at the same time.

I'd now like to introduce the officials accompanying me today: ISC president and CEO [chief executive officer], Jeff Stusek; vice-president of operations, Ken Budzak; and controller, Lillian Schweitzer. Also in attendance: vice-president of corporate affairs and general counsel, Kathy Hillman-Weir; vice-president of marketing and business development, Bryan Burnett; assistant general counsel, Deb Pacholka; and director of communications, Julianne Jack.

With that, Mr. Chair, we'd be pleased to answer any questions in relation to this year's estimates that the committee may have.

The Chair: — Mr. Nilson.

Mr. Nilson: — Thank you and good evening. It's a pleasure to be here to ask some questions about, I guess, what I'd call a teenager, having been there for the conception and birth and troubling one and two and three years of this outfit. It's really a pleasure to see your report and how many things that were part of the original concept are working well, plus some new ideas that clearly are working.

Now my first question relates to the title of your report, transformation in and out, and my sense is that there were a lot of things that happened in the last year or two that are almost or maybe are completed. And so perhaps you could give a little bit of the history. It looks like, to me, from reading your report that

you figured out how to do the transitions from one system to another in a fairly efficient fashion and so that things have worked out pretty well. But perhaps you could go over it again. I know you mentioned briefly about a couple of the transformations that took place this year. So that's my first question.

Hon. Mr. McMillan: — Mr. Chair, I guess in regards to the . . . The in-and-out reports are the reports that we'll be discussing, the annual reports at another time. But in regards to how that affects this year's budget and these estimates, an update on kind of a transformational change that we're currently in and have been in the past year would certainly be the business portal, that it makes it easier on businesses to register.

And as of July 1st — to the minister's question, how will it continue to move forward? — if businesses register in Saskatchewan or in British Columbia or Alberta, they will have the same rights to do work in Saskatchewan. But if a Saskatchewan business is registered in Saskatchewan, those other two provinces will recognize that business registration, that financial reports filed in Saskatchewan will be recognized in those provinces. Fees paid in Saskatchewan to the corporate registry will be sufficient, and those other provinces will waive the fees that they would normally require if a business were required to register in all three provinces.

So that is certainly an ongoing change and improvement of the business environment in the three western provinces. But where it applies here in Saskatchewan, I think that it's an advantage we're glad that our businesses have.

The other one that, to the member's question, that's quite a substantial change — we're still in the middle of it; in this coming year, this change will continue to roll out — is the modernization of our vital statistics. In the past year we brought in the new software. We digitized the \$3.6 million paper records into digital. And it's an ongoing process, and we're still in the middle of it. And there's quite a bit of work going on to keep the business of vital statistics working, keeping the expectations of our citizens as to how long it should take to get vital statistics' records at a reasonable time. And that is a struggle when you're in the middle of such a fundamental change.

And I'm going to pass it off to the president to walk us through maybe the steps in the road as to what changes have happened to get us to where we are, what's to come, and also maybe some of the mitigating steps which has helped to mitigate the potential major delays of working on a system at the same time that it's required. Jeff Stusek, president.

Mr. Stusek: — Okay. Jeff Stusek, president. Mr. Chair, I'll direct my answer to the member's question. Specifically around vital stats, modernization, the member is correct. And 2011 was a year, clearly a transition and transformation as we took a paper-based system to what I would call today's, you know, world, where we digitized 3.6 million records, put in the new software. We added some processes that protect privacy and really reinvigorated the system. And we're still in the throes of that. That's not complete yet by any stretch. When you put in new software, there's a lot of work that still needs to be done.

But we're confident now that our service levels are where we want them to be, where our customers want them to be. And we're confident, as we move forward in 2012, that it'll be fully implemented and we fully, you know, realize the benefits.

Mr. Nilson: — So what is the turnaround time now for a birth certificate or, I suppose, marriage certificate or death certificate? I know there were some difficulties over the last couple of years. So what's the goal, and what's the time now?

Hon. Mr. McMillan: — For all of the certificates, the goal is 10 days. As of yesterday, the waiting time was nine days. Now it hasn't been that short coming through this process. It was November, I believe, that we brought in the new IT [information technology] system. And there's been points between November and now where we've had to allocate special extra resources to maintain and get back to our goal of 10. But in managing this process, we're at nine as of yesterday.

Mr. Nilson: — Just by comparison, what's the goal on title, a title transfer? What's the actual record?

Hon. Mr. McMillan: — The target on land registry is 2.5 days, and currently the turnaround time is 2.06 days. Just for a little more, the survey registry target is 10 days. Current turnaround is five days. Personal property registry is within 24 hours, and we're currently . . . The target for the personal property registry is that 98 per cent of our transactions are completed within 24 hours. We're currently hitting that at 100 per cent.

Mr. Nilson: — Well that's good. I just remember when I was the minister, I'd get a report every morning because there was so much variation, and it was the subject of many calls.

Now how does this compare with, say, British Columbia? Because I know they have an extremely fast land registry system, and I assume we're . . . Part of the New West Partnership here is to try to do some synchronizing with their system. Because if I remember correctly, it's within like 24 hours or even faster, depending on the day you do it.

[19:15]

Hon. Mr. McMillan: — I guess to compare to our New West Partnership partners, Alberta has a one-day turnaround. British Columbia fluctuates. Generally we are comparative, comparable to them. Apparently it's somewhat seasonal. There's seasons where they're busier and seasons where we're busier, but in general we're pretty much on the same page as them.

And in the Canadian context, we're second or third as far as turnaround times. We work . . . I think of ISC's core business. They are one of the most focused on customers and ensuring that they're meeting customers' needs. Their targets aren't, as you probably well know, aren't just arbitrary targets. They're come to with what do their customers, who they're charging for this service, expect, and at the two and a half days, that meets the needs largely of what their customers are asking for.

Mr. Nilson: — That's, I mean, clearly moving towards whatever system we have that gets the information as quickly as possible because it does make a big difference for business.

Now in the same area, I know that your revenues are quite good, and clearly the biggest source of the revenue is from the land titles system. Is that where the earnings come from primarily? I think it was a dividend of around \$14 million. So would that be where most of that money comes from?

Hon. Mr. McMillan: — Revenues in this past year was about 70.8 million. Profits were 17.2. On the revenue side, the land titles is about 75 per cent of the revenues; PPR, personal property registry, about 8 million; and corps registry also about 8; vital statistics about 2 million. As far as how they break out with profit, a little bit different. The personal property registry is one of the more profitable business lines and land titles as well certainly one of the more profitable.

Mr. Nilson: — Thank you. And clearly having that kind of cash flow allows you to do some of the big jobs that you've got. And so the whole transfer over of the vital statistics information has clearly been a big, big job. But does it pay for itself already as far as the types of fees that are charged?

Hon. Mr. McMillan: — Vital statistics is about \$2 million in revenue, and it costs us about \$3 million to run. Part of that \$3 million is the cost associated with the modernization project, the new software that was brought in. Before, I guess, the modernization, it was roughly \$2.5 million to operate that system.

Once we get through the modernization, where we're operating far more efficiently, we have a payback time on the investment of about seven and eight years. So we'll be reaching profitability, the trade-off, well before that.

Mr. Nilson: — Okay. Thank you for that information. The fees that are charged now for certificates I think have gone up probably before you started this project. But have they gone up again, or have you pretty well kept the fees the same? And perhaps you could refresh my memory on the fees. I think it used to be like \$5 and \$10, but I think it's in quite a different league now.

Hon. Mr. McMillan: — Mr. Member, the fees have not been changed since they have been transitioned, since this has transitioned to ISC. We think they're in the 20 to \$25 range for both marriage certificates and birth certificates. We're just endeavouring to get the exact fee amount for those, and if it isn't 20, I'll be sure to get that on the record here.

Mr. Nilson: — Okay. Thank you. It's interesting how that works, isn't it? The thing that the ordinary person gets concerned about isn't always the issue when you're trying to run the whole corporation.

Is there any special initiative, now that you're almost done with all the digitalization of all of this information, to do some facilitation for genealogy purposes of some of the older records? Because I know that, you know, many states in the States, many countries in Europe have seen that as a whole other revenue flow. Because there's so many people that are from Saskatchewan, there may be an interest in an easy access for information and therefore creating a whole new use of the information.

Hon. Mr. McMillan: — Mr. Member, I think your read on it is exactly where we're at. We're about six months from today further to go in complete rollout of this modernization project. Until this phase is done, we're not really looking at those sorts of value-adds for citizens. But at that point, that is something that with the modern system that's one of the advantages of having a digital system, and we will be looking at those types of value-adds at that point.

Mr. Nilson: — Well I know I've seen products where you can send your land description to the land titles office. They'll give you the copy of the title, historic back, plus a photograph, aerial photographs taken of all the farms attached, and then information about the local area. So there's a whole, whole other area of interesting things that can happen.

Let me shift gears a little bit here and ask a couple of questions about the business registration area. Does it really work? Are you able to get one name for a corporation with all of the information available and have it go through all of the different systems? Because that's been a goal for I know lawyers for as long as I've practised, which I guess is getting close to 35 years. So it sounds like that's what your goal is, but does it really work?

Hon. Mr. McMillan: — The business portal from a customer's point of view, it seems like everything is fully integrated. Of course Finance and Workers' Compensation Board are two different computer systems and different rules and have different functions and aren't sharing information between them. But to the customer who goes to the business portal and enters his information, he just enters it once and automatically he is then registered in the other places. So to the customer it is quite an efficient system.

And we right now have a corporate registry, Finance, and Workers' Compensation Board, and that's kind of the core that we started with, the value proposition. The next thing to be added is the Canada Revenue Agency number and continuing to build logically and methodically on top of that. And the Canada Revenue Agency number is, some of the Bills we'll be discussing later tonight, is what enables us to utilize that. And then that number is recognized nationally by many government organizations.

Mr. Nilson: — Okay. So work in progress, but quite a ways down the line, I guess would be the best way to describe it. Okay. Now for another question. I know that there's the digital version of the province that the land titles has, but then there's the practical version, which is the legal surveys.

Have there been any dramatic changes in that? Or do we still end up having to make sure that, well you end up having somebody go and look where you are for titles, as opposed to just relying what's in the digital record?

[19:30]

Hon. Mr. McMillan: — To the member, if I don't get your question . . . If I don't answer the question you asked, please ask again. I guess the foundation of our land system is the same as it has been for some time. It's the pins in the ground that that original survey pounded into the ground. The digital province

that we have in our records is very efficient, but it certainly relies on those pins in the ground. And where there's a final dispute, that's where it ends.

As far as our processes currently, we accept many different formats when people are entering in new surveys or changes. We are looking at, in this coming year, potentially standardizing, putting in a new system of how you can input new surveys into our system and standardizing the format, reducing the chances of error and making it more efficient for ISC to manage.

Mr. Nilson: — Okay, thank you. That was the answer I was expecting. But now, one other question comes. Like, there's a lot of land in the province where there isn't a title created yet. Would that be an accurate statement? And so is that a long-term goal, or will we continue to have the system we do now where title is created as needed?

Hon. Mr. McMillan: — The title will be, as you say, created as needed. And that's the way we'll be going forward in the short term, certainly.

Mr. Nilson: — Okay. Now I asked that question because I know that . . . I'm not sure if it's somewhere in the documentation I read now, but the whole system for staking claims has now gone electronic and basically is done on, I guess, the digital map or the digital footprint of especially northern Saskatchewan where there aren't titles created. And are there titles created under that system or are there special rights or what is it that they actually get when they stake a claim digitally?

Hon. Mr. McMillan: — The system change that I think you're speaking of is the MARS [mineral administration registry Saskatchewan] system. ISC is working with Energy and Resources. It won't be implemented until the end of this year, but at that point it will be the digital overlay for staking claims for resources. But until then, we're still using the manual system.

Mr. Nilson: — And in that whole area, will you, before you implement that system, register the First Nations and possibly the Métis claims against some of this land so that companies involved will know where there's a particular interest that they have to deal with, or is that maybe not contemplated? But I know that's become a fairly major issue in some other jurisdictions, where people have no notice on the ground of what's actually happening to the land which may have been traditionally part of their hunting area or trapping area.

Hon. Mr. McMillan: — In this MARS system, we're operating this on behalf of Energy and Resources as far as the policy of what data is entered, how it's entered. That's the Energy and Resources, I believe, are working with the policy on the policy end of the system.

Mr. Nilson: — Well thank you for that answer. I notice though some, I think in the early part of your report, that the number one issue for any registry system is management of risk, and so I would suggest that this may be an area that you're going to have to look at. And I guess I'll ask another question related: right now the full backstop for all of the systems, but most

importantly the land titles system, is the treasury of the province of Saskatchewan. Is that correct?

Hon. Mr. McMillan: — Mr. Chair, the mineral ownership, before mineral ownership is registered, it has to go through a certification process at which case it does get the protection, just like the land registry which is a Torrens system, which is ultimately backstopped by the GRF [General Revenue Fund]. But as I say, the mineral piece has to go through the certification process.

As for the other registries that we hold, the personal property registry, that's a notice-based system. And that one is not backstopped by the GRF.

Mr. Nilson: — Are there still officials from the Ministry of Justice who are part of the board or management of the ISC?

Hon. Mr. McMillan: — The CEO, Jeff Stusek is going to walk through this relationship.

Mr. Stusek: — Thank you. I hope I'm addressing the member's question on this one. Mr. Chair, we have positions or roles in ISC that are what we call regulatory policy manager roles that look after the public policy aspects of the registry. They have a dotted-line relationship back to the Ministry of Justice and actually report status on the land registry, survey registry to the Minister of Justice, and so that public policy accountability still holds. Those regulatory policy managers are within ISC as part of the ISC staff, but they have, if you will, a reporting relationship to the Minister of Justice.

[19:45]

Mr. Nilson: — Thank you for that explanation. That's the answer I expected, but it wasn't . . . I couldn't see where it was reported anywhere in the corporate documents that that's still there. And I know, sort of on a worldwide basis, when people analyze and look at security of title worldwide, one of the issues always is well, how does it connect back to something independent, or hence the Ministry of Justice. So you may want to just say what you just told me because I think that helps for everybody to know that.

So the next questions I have — and I've just got not that much longer here — is to ask if there's any intention of taking another look at the land titles fees as it relates to housing for individuals. I know that there's probably lots of land titles fees collected around minerals, transfers, and other areas. But has there been an analysis to see with the, you know, dramatic increase in the price of housing? Clearly the revenues have gone up for ISC. This may be an area where there could be some relief and assistance for people when they're buying houses. And so is that something that's been looked at? Or maybe my guess is wrong and that in fact these are just paying for themselves in the system.

Hon. Mr. McMillan: — In regards to the fees charged by ISC, we make sure that we're competitive on a national comparison, and we are. Some are lower; some are higher, but we are in the ballpark certainly, on a national basis. We're not the highest, and the service that we provide is one of the best. Our turnaround times are one of the best. And when we're

comparing fees across the country, it is important that we compare the services as well as the cost.

We are also very conscious in all things that ISC does to be very sensitive to the customers, making sure they are getting the service they want and that the fees are acceptable. Are they getting the service for the price they want? And we have some very satisfied customers. It's something that we go to great pains to ensure that our customers are happy with the service and the fees that we provide and ask for.

Mr. Nilson: — Mr. Chair, I think I'll maybe ask the minister, he lives close to Lloydminster, represents Lloydminster, so do people there, would they prefer to use the land titles system on the Saskatchewan side or the Alberta side? It's always a good policy comparison.

Hon. Mr. McMillan: — And you know, Lloydminster is on the Alberta border. Regina's closer to Manitoba. And if you compare us to Manitoba, we have very preferential fees. If you compare to Alberta, they have less expensive fees. And again I think if we compare the service that we provide, again there's discrepancies between Manitoba and Alberta and ourselves. But ultimately, we're customer facing. Our customers are very satisfied with our Crown, with our services, with our fees. Ultimately nobody likes to pay fees, but they know the value that we add to their transactions.

Mr. Nilson: — Now I noted in the Justice estimates that they have \$1,000 listed for the number of claims. I know that there haven't been any claims for probably — I don't know — many, many years, so that's a reasonable number. But I'm glad to see that it's there because that's a reminder to all of us that that's where it'll show up if something goes drastically wrong.

Now another question: I saw that you've ended up creating even more advisory committees, if I can put it that way, to work with groups. And that's been I think a good initiative on a whole number of levels. I noted that there was one advisory committee with the lawyers working together with the municipalities that was trying to figure out a way to — what does it say here? — register interests that only affect a portion of a parcel as opposed to the whole parcel. It doesn't really say what the solution was, or maybe that's still a point of discussion. Are there some new, I guess, solutions that have been created as these committees have moved forward? Especially interested in that one.

Hon. Mr. McMillan: — All the committees that ISC utilizes are a subset of the customers. In particular transactions, the business portal is a subset of our business customers and trying to meet their needs and ensuring that we're sensitive to them.

The specific committee that you speak of, I don't have the details on that. When we go through the annual reports, we'll be certain to have that answer for you then.

Mr. Nilson: — Okay. Another area that clearly is interesting to have into your whole corporation is the Funeral and Cremation Services Council of Saskatchewan. And once again, that was an area where I spent a lot of time with I think some of the people in the room, reorganizing how the funeral service business and cemetery business worked in Saskatchewan in the late '90s. So

it's good that they're able to work together with your organization.

I was curious to see whether the land titles system has integrated their records around I guess burial sites in the province together with the land titles system or if that's a long-term goal because I know sometimes people are, once again, wondering where relatives may have been buried, and it seems to me you've got all the pieces, but they're maybe not all in the same spot. So is that something that anybody is working on or that they've thought about working on so that coordination of information is there for I guess the centuries?

Hon. Mr. McMillan: — That issue is something that has in the past been raised with ISC. It's something that they're not, we're not actively pursuing at this time. We've looked, is there a business case for it? And there isn't an obvious one. So it is something we're not actively looking at.

Mr. Nilson: — Okay. Well I guess we end up having to see whether eventually there is a business case, because clearly some of these other areas didn't look like they used to have business cases, but now they are here. The whole corporate registry side is I think fairly streamlined now. People don't end up, as far as I've heard, having many complaints about this area at all. Are there changes expected in this area or further enhancements? And I guess, how would our system stack up against other systems in Canada as it relates to corporate registry?

Hon. Mr. McMillan: — Mr. Chair, the current system with corporate registry is a digital system. It's built on the COBRA [corporations branch] platform. It's been in place for well over a decade. The underpinnings of it are getting to the point where they're no longer supportable. So this is actually a system that, a technology that we're looking . . . We're in the software selection phase of it right now of finding the new technology, the next technology to take over from COBRA . I can say as minister, this is also one area where we don't get a lot of complaints from customers. It seems to work fairly well, but I think it's incumbent on us to make sure that we're ahead of the curve, instead of letting the system get antiquated and crash.

When we do bring in the new system, we'll also be looking at if our processes are appropriate for today's business environment. British Columbia has a system which is a lot faster than ours. It's a 30-day turnaround time right now for our corporate registry. British Columbia has a faster target. They do less security scrutiny in their process. So after our technology is replaced, we'll be looking at is our scrutiny, our security scrutiny, appropriate for today's business environment or not? And if we have overkill and we're adding extra time to our businesses and we think it's appropriate, we'll be looking at the processes as well. But that comes after the technology.

[20:00]

Mr. Nilson: — Okay. Thank you for that answer. And I mean clearly that's the goal here, is to make sure that all of the different areas that you're responsible for are working with the best technology available. And it's quite a transformation in 20 years, I guess is what I would say. And so well done.

Thank you very much for providing the information as we've gone over these estimates, and we'll look forward to moving on to the next part. I assume many of the same officials will be here for . . . [inaudible interjection] . . . Oh, okay.

The Chair: — Did you want to make a . . . thank your officials? Or most of them going to be the same? We'll do a quick . . .

Hon. Mr. McMillan: — We will be switching some officials, and so I would like to thank the ones that were of help at this part. And before we start the next portion, I have some opening remarks in regards to our Bills. My understanding is we were voting off these estimates and some others. Will we be doing that at the conclusion? . . . [inaudible interjection] . . . Okay, thank you.

[The committee recessed for a period of time.]

The Chair: — Okay. We'll readjourn.

Bill No. 6 — *The Miscellaneous Business Statutes Amendment Act, 2011*

Clause 1

The Chair: — We will now consider Bill No. 6, *The Miscellaneous Business Statutes Amendment Act, 2011*. We will start with clause 1, short title. Mr. Minister, if you have any opening remarks you may proceed, and also introduce any new officials.

Hon. Mr. McMillan: — Great. Well thank you, Mr. Chair. We do have the three Bills in front of us tonight. And the officials have changed, so I would be pleased to introduce them. Joining me from ISC for this portion will be Andrew Donovan, senior legal counsel; Leslie Krug, regulatory policy manager and registrar of titles; Doug Jameson, marketing manager, corporate registry and director of corporations; Wes Czarnecki, marketing manager, business portal program.

Today we will be talking about Bill 6, *The Miscellaneous Business Statutes Amendment Act, 2011*; Bill 7, *The Co-operatives Amendment Act, 2011*; and Bill 8, *The Land Titles Amendment Act, 2011*.

Bill 6 outlines legislative requirements to streamline the business registration and reporting across Saskatchewan, Alberta, and British Columbia as part of the New West Partnership Trade Agreement. Bill 7 is the bilingual Bill that reflects the same legislative requirements outlined in Bill 6. Bill 8 outlines legislative requirements that will enable Information Services Corporation to simplify processes in the land titles registry by creating a document storage library that will reduce the number of duplicate documents that are required to be filed with the registry.

With that, Mr. Chair, we'd be pleased to answer any questions in regards to Bill 6.

The Chair: — Mr. Nilson. I recognize Mr. Nilson.

Mr. Nilson: — Thank you very much, and welcome to the

officials. And as I explained to Mr. Jameson, we'll now take about an hour and talk about the annual red tape reports. But probably some of what we're talking about here is actually the result of a lot of years of work to see what can be done to coordinate business statutes across provincial boundaries.

Bill No. 6, basically you gave us the title for it, and I know previously you'd explained what the purpose of the Bill was. Would it be accurate to say that this is a good Bill to have even if the New West Partnership didn't exist, or is this directly related to signing of the New West Partnership?

Hon. Mr. McMillan: — There's two major components in this Bill. I'll start with the second half first: the Canada Revenue Agency number. This Bill is the legislative framework that goes along with our legal authority to use the Canada Revenue Agency number which, as we talked about in our earlier discussion, is something we can then leverage with other agencies in Saskatchewan and across the country or businesses can leverage as their identifier and to streamline the processes that businesses go through. So that one would be certainly of value whether the New West Partnership was intact or not.

The other half of the Bill, being the reciprocity between the Western provinces which outlines our obligations to recognize those provinces' businesses and how that relationship will be governed through legislation, it would be of no value if those provinces also didn't have the reciprocity of recognizing our businesses and waiving the fees in which they would otherwise require.

Mr. Nilson: — So the specific clause that relates to the Canada Revenue Agency is which clause or which section?

Hon. Mr. McMillan: — Mr. Chair, the portions of this Bill that govern the use of the Canada Revenue Agency number for corporations is section 4 of this Bill. The business names registrations is section 7. *The New Generation Co-operative Act* portion of this Bill which deals with the Canada Revenue Agency number is section 10 of this Bill. And the partnerships is section 12 of this Bill, also dealing with the business number, federal Canadian Revenue Agency business number.

Mr. Nilson: — Okay. Thank you. So that effectively it's the same clause but spread across those four Bills. So eventually, there will be the revised statutes that'll have the information in the right place so we can follow through on that. Okay. And is that the only, basically the main thing being done here? You said there were two things being done. So what's the other aspect?

Hon. Mr. McMillan: — Mr. Nilson, this will be in this Bill. The other portion of this Bill is the legislative framework that governs our relationship with the other provinces under the New West Partnership and legislates the obligations on how we will treat their businesses and how that enables that partnership to move forward.

Mr. Nilson: — And so then that's practically set out then in the first part of each of the sections. Would that be the best way to describe it? So section 3 relates to *The Business Corporations Act*, and then as we go through the other Bills, section 6 for *The Business Names Registration Act*. Okay. So okay I understand

that now. So the format of the Bill clearly is to deal with a number of different statutes and put these two main themes into the other statutes.

Now I have a general question about whether the implementation of these special rules for extraprovincial matters, such as the signing of the New West Agreement, if that puts us in a situation where once a change is made in our laws there's no way to step back? And I'm asking that question based on the discussions over the years related to the North American Free Trade Agreement where sometimes concessions would be made, and then there was no retreating. Are there any clauses like that in this Bill? My sense is that there aren't, but does it enable us to get into that kind of a problem where we're not able to retreat — if I can put it that way — when we see a problem?

Hon. Mr. McMillan: — To Mr. Nilson's question, this Act is the framework. This Act enables us to enter into this agreement. But it's the agreement itself that governs the relationship. If there was something unforeseen to come up in the future, there would be the agreement itself which would be modified or changed to adapt. This legislation doesn't compel our relationship. It enables our relationship.

Mr. Nilson: — Well thank you for that answer. And I guess that's kind of like a governor on an engine, right? If you take it off, then you can do a lot of damage to the engine because it can get beyond where you want to go. So what you're saying is that this is enabling legislation. And my question then becomes, will agreements or things that are contracts — or whatever they would be called, agreements that are entered into by the province — will they come back to the legislature before they're implemented?

[20:15]

Hon. Mr. McMillan: — That question is likely better for Intergovernmental Affairs. The Bill here is just the enabling of the corporate registry, and from corporate registry's point of view, this enables us to be in compliance and to allow the agreement to be enabled. But as far as details on the agreement, that's for Intergovernmental Affairs.

Mr. Nilson: — So that's basically a question for the Premier since I think he's the Minister of Intergovernmental Affairs. Is that correct?

Hon. Mr. McMillan: — That's right.

Mr. Nilson: — Now does this piece of legislation give more discretion to the minister than is ordinary to make sure that these registries will work? Or is this fairly standard language in the sections around the entering into extraprovincial agreements?

Hon. Mr. McMillan: — Mr. Nilson, there is no extraordinary powers to the minister. Largely the language in this is what . . . it models very similar to what Alberta and British Columbia have in their legislation. They're a few years ahead of us on this. They had a reciprocal agreement of a similar nature before we joined, and we adopted much of the similar language to what they had.

Mr. Nilson: — Thank you. I'll ask a specific question to see if I can get a little bit of a sense of how this is supposed to work. If we go to page 2, section that's called regulations for division, and so it says, "The Lieutenant Governor in Council may make regulations." And if you go down to (i) it says, regulations "exempting an extra-provincial corporation from the operation of all or part of this Part." Can you give an example of when that type of regulation might be used?

Hon. Mr. McMillan: — Two examples of where this particular provision would be seen, or not seen certainly by the business — and that's the idea is that the business wouldn't, that it would be seamless — is a British Columbia or Alberta company that's registered in either of those two respective provinces would be required by those provinces to submit an annual return in whatever province they're registered.

This provision says that we don't require them to file one in Saskatchewan. And the way the mechanism works is Alberta would then forward it from their registrar to us, making it seamless to the business. So he's not doing paperwork in two provinces. He just does it in his home province. We get the information we need, and they get, they obviously get the information that was filed there.

If the same company were in Ontario, registered extraprovincially in Saskatchewan, they would then be required to file their annual return where they're registered in Ontario, also in Saskatchewan, and do the extra paperwork here.

The other example I would have would be on fees. This provision gives us the ability that you pay the fees in your province to operate, and we waive those fees. And it's reciprocal. So if a company is registered in Saskatchewan and is extraprovincial in British Columbia, they waive the fees on our base companies as well.

Mr. Nilson: — Thank you for that answer. I think that we're maybe eliminating some legal fees for lawyers in Saskatchewan with this process. That may or may not be a problem, but presumably some of the lawyers will point that out at some stage.

Mr. Chair, I don't have any further questions on this Bill. It appears to do the things that are intended which are here to make it easier for Saskatchewan companies to do business in Western Canada, and that's I think a positive goal. We'll continue to watch as the regulations are developed to make sure we aren't caught in a spot where Saskatchewan companies and Saskatchewan people are hurt in any way. But thank you very much.

The Chair: — If there are no other questions or comments on this Bill, we can proceed. Clause 1, short title, is that agreed? Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 14 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 6, *The Miscellaneous Business Statutes Amendment Act, 2011*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I would ask a member to move that we will report Bill No. 6, *The Miscellaneous Business Statutes Amendment Act, 2011* without amendment. Ms. Wilson moves. Is that agreed?

Some Hon. Members: — Agreed.

Bill No. 7 — *The Co-operatives Amendment Act, 2011/Loi de 2011 modifiant la Loi de 1996 sur les coopératives*

Clause 1

The Chair: — If there's not a changing of officials, we will now consider Bill No. 7, *The Co-operatives Amendment Act, 2011*. This Bill is a bilingual Bill. We will start with clause 1, short title. If the minister, if you have any opening remarks, you may proceed.

Hon. Mr. McMillan: — No, Mr. Chair. This is largely the identical Bill to the one that's just passed. It stands alone because it's a bilingual Bill, and it takes into account the co-operatives aspect. The first Bill did corporations partnerships all the way through. This one is the provision just around the co-operatives, and it stands alone because it is a bilingual Bill.

The Chair: — Mr. Nilson.

Mr. Nilson: — Yes, I agree. I've looked at this Bill, and it has the same clauses, the same effects. And so the questions that I asked on the other Bill relate to this one. So if at some future date there's litigation involved, I assume you would agree that the comments that we made on Bill 6 would apply to Bill 7 as well. Is that correct?

Hon. Mr. McMillan: — That's right. The language is consistent, yes.

Mr. Nilson: — I have no further questions. Thank you.

The Chair: — If I see no further questions, we will move to clause 1, short title. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 5 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 7, *The Co-operatives Amendment Act, 2011*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would ask a member to move that we report Bill No. 7, *The Co-operatives Amendment Act, 2011* without amendment. Mr. Scott Moe. Carried. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 8 — *The Land Titles Amendment Act, 2011*

Clause 1

The Chair: — We will now consider Bill No. 8, *The Land Titles Amendment Act, 2011*. We will start with clause 1, short title. I will also ask the minister, if you have any opening remarks, you may proceed.

Hon. Mr. McMillan: — My opening remarks is just this Bill is largely to add the library at the land titles to add efficiencies for the customers that we have. And with that, I would entertain any questions that the committee may have.

[20:30]

The Chair: — Turning over the floor to Mr. Nilson.

Mr. Nilson: — Yes, thank you. My question would be, can you describe what this means? What is the library at the land titles office? And is it a library like most people understand it to be, or is this a special library?

Hon. Mr. McMillan: — I'll give some comments on my understanding, and if Leslie feels the need to fill in anywhere that I'm not fully representing its value, I would ask her to fill in at the end.

In these types of transactions, there's often very consistent accompanying documents or portions of documents that could be hundreds of pages long. And the current state is that every time one of our clients is filing a mortgage, they would be filing the same document over and over and over again. With the legislative changes we make here, where there's that type of consistent document or portion of a document that gets submitted over and over again, with these changes, those customers can just reference this document which would be on file in the library, therefore saving a substantial amount of the paperwork. And for us there's marginal savings. For our customers, it's something that allows them to do their business easier. Anything that you feel would need . . .

A Member: — That's a good description.

Hon. Mr. McMillan: — Great. I think that that covers it.

Mr. Nilson: — So the description would be like this, that if I wanted to borrow money from the Conexus Credit Union, the document would be number 12, which is Conexus Credit Union. And then the next item would be number 32, which is the mortgage on a house worth under \$300,000. And then number 3 would be the amount, the actual amount. And that's what would show on your registry because each of those numbers would refer to a document that's in the electronic library that you're talking about. Would that be an accurate

description in a very simple way of what we're trying to do here?

Hon. Mr. McMillan: — From the customers' perspective, as the question was posed, there would be those standard terms which would show up on their paperwork, but there would also be a substantial portion of anyone's mortgage which would be specific in unique terms to that mortgage. All their information's . . . Obviously each piece of property that is being utilized for the mortgage is all unique, so all those unique pieces would be filed independently and would be different. But where the standard terms and conditions . . . which if the mortgagee, mortgager, the bank, wishes to utilize the standard terms, they could utilize that. If there are specifics, they may choose to file the full standard terms as well, if it's different in any particular way.

Mr. Nilson: — Is there ever a time when the registry itself will require a banking institution to have a limited number of mortgage forms, if that's what we're talking about here, or other security document forms so that it's I guess simplified both for the registry and for customers?

Hon. Mr. McMillan: — No. We're not requiring this. It'll just be voluntary. That's consistent with how other provinces which have these type of libraries operate. And from ISC's point of view, it is not a very large cost to file. All these are filed digitally. This information, to file it digitally for us is a minimal cost. It's innovation that our customers are asking for, that in other provinces they're utilizing, and for them it adds efficiency. So no, we won't be requiring that sort of compliance.

Mr. Nilson: — It's interesting to read on page 2 of the Bill where it describes the document storage library, that the documents contained in the storage library aren't part of the land registry system, but they're obviously referenced to the land registry system. And so I understand what that means.

But it then goes on to say that there's no guarantee or liability as it relates to the particular documents. Is there a requirement that somebody that uses the document storage library have another copy somewhere else that they will keep in perpetuity, or is it possible that the only copy that is in existence would be the one on the document storage library?

Hon. Mr. McMillan: — The provision around liability relates to if a mistake is made by the client or the law firm or the financial institution. If they make a mistake in pointing in the library, that the library is not liable for that mistake. And as far as the stored copy of the terms and conditions, or of the transaction, that isn't changing. The current state is that the law firm or the financial institution is required to maintain a copy of the transaction for a prescribed period of time currently, and with the new library as it relates to these transactions, it will still be in place. And the same provision of the customer storing that information is still in place too.

Mr. Nilson: — Well thank you for that answer. And that's logical, although it then raises the question why in subsection (8) it says, "All [of the] information contained in the document storage library is the property of the Government of Saskatchewan." Can you explain that please?

Hon. Mr. McMillan: — Just with the last provision, the wording of these documents is not ISC's to change. But as far as the ownership of how we store them, how the records are managed on our hardware, that is, we're saying, is our purview to organize them, to file them as we feel is efficient and appropriate. And that's consistent with even as far back as when it was paper-based records.

The wording of those paper-based records were the purview of the bank or the financial institution. But when they were submitted to ISC, or the land registry at the time, they then became the property of the land registry, and they would file them in the manner that they felt was appropriate. And we're now dealing in a digital age, but the same principle applies.

Mr. Nilson: — Okay. Thank you for that explanation. That's logical as well. My final area of questions relates to the clause 7, section 187 amended, and it sets out the method of setting standard interest terms and authorizations. And is it possible for you to explain how these standard interest terms and authorizations will be established, who establishes them and exactly what use they will be of in the system.

[20:45]

Hon. Mr. McMillan: — Mr. Chair, this section here, this provision deals with largely the logistics of exactly how these standard terms can be filed, what types of interests can be filed within the library, how or when they would become inactive. Largely this is going to be the mechanism, the day-to-day mechanics of how it works, and this gives the power to prescribe that in regulation.

Mr. Nilson: — So would that be regulation in normal regulatory fashion or regulation by the master of titles or by the minister? Or who would do that?

Hon. Mr. McMillan: — That would be dealt with through normal regulation, through the normal process.

Mr. Nilson: — Okay. Mr. Chair, I have no further questions about this legislation. I think it's a good initiative that's going to allow for further positive use of the land registry system at ISC, and we support it. Thank you.

The Chair: — Seeing no other comments or questions, it's clause 1, the short title. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 8 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 8, *The Land Titles Amendment Act, 2011*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would ask a member to move that we report Bill No. 8, *The Land Titles Amendment Act, 2011* without amendment. Mr. Weekes.

Mr. Weekes: — I so move.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Since I believe we've concluded our business for this evening, I would ask a member to move a motion of adjournment. Mr. Parent. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. The meeting is now adjourned at the call of the Chair.

Hon. Mr. McMillan: — Well thank you, Mr. Chair, and thank you to the members that asked questions tonight. And thank you to everyone that provided all the answers.

[The committee adjourned at 20:47.]