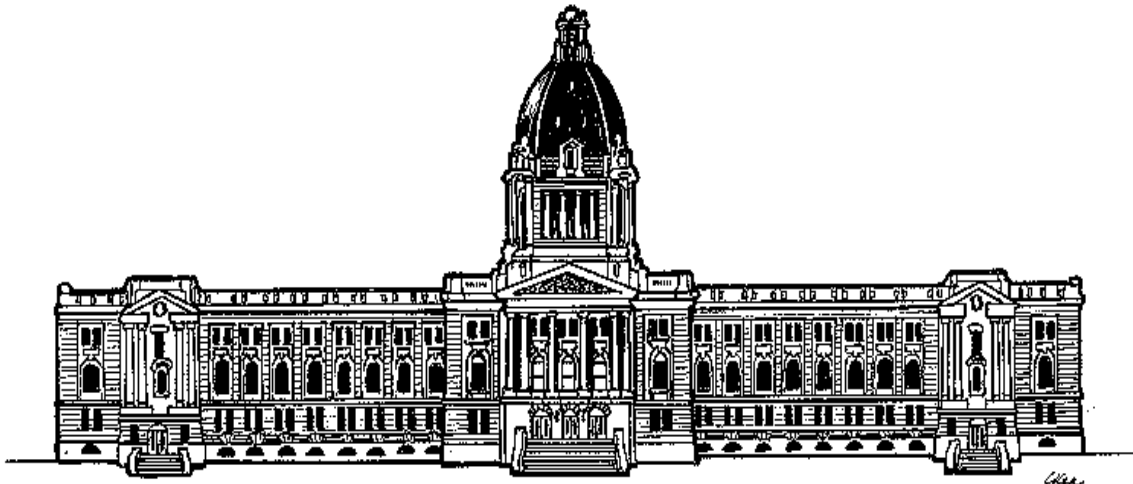




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

Hansard Verbatim Report

No. 5 – April 16, 2012



Legislative Assembly of Saskatchewan

Twenty-seventh Legislature

**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND JUSTICE**

Mr. Warren Michelson, Chair
Moose Jaw North

Ms. Cathy Sproule, Deputy Chair
Saskatoon Nutana

Mr. Kevin Phillips
Melfort

Mr. Warren Steinley
Regina Walsh Acres

Mr. Lyle Stewart
Thunder Creek

Ms. Christine Tell
Regina Wascana Plains

Mr. Corey Tochor
Saskatoon Eastview

[The committee met at 19:00.]

The Chair: — Good evening, ladies and gentlemen, and welcome to the Standing Committee on Intergovernmental Affairs and Justice. My name is Warren Michelson. I am the Chair of the committee. Also in the Chair is the Deputy Chair, Cathy Sproule; Kevin Phillips; Warren Steinley; Lyle Stewart; Christine Tell; and Corey Tochor. Tonight we have a substitution for Cathy Sproule. Danielle Chartier will be sitting in for Cathy.

**General Revenue Fund
Tourism, Parks, Culture and Sport
Vote 27**

Subvote (TC01)

The Chair: — This evening the committee will be considering the estimates of the Ministry of Tourism, Parks, Culture and Sport. Before I begin, I would like to remind the officials to introduce themselves when they're speaking for the *Hansard* records.

We will now begin our consideration of vote no. 27, the Tourism, Parks, Culture and Sport, central management and services, subvote (TC01). Mr. Minister, welcome to you and your officials. Mr. Minister, I'll ask you to introduce your officials, and you can start with some opening remarks if you so choose.

Hon. Mr. Hutchinson: — Thank you, Mr. Chair, members of the committee, and other members. What a good crowd we have here tonight. This is very heartening indeed.

Mr. Chair, I'm pleased to answer all the questions regarding estimates for my ministry as time will allow this evening. And first we need to do, as you mentioned, some introductions and afterwards there will be some remarks as well.

The officials that we have here with us today from the Ministry of Tourism, Parks, Culture and Sport are Wynne Young, deputy minister; Lin Gallagher, associate deputy minister; Susan Hetu, special advisor to the deputy minister; Ken Dueck, executive director of tourism; Gerry Folk, executive director of cultural planning and development branch; Darin Banadyga, executive director of sport, recreation, and stewardship; Melinda Leibel, director of corporate services; and Bob McEachern, director of parks management services branch; and finally, Bob Lalonde, director of facilities branch. And we all thank them all for joining us and taking time this evening.

Mr. Chair, members of the committee, this year's budget for the Ministry of Tourism, Parks, Culture and Sport focuses on keeping the Saskatchewan advantage. Budget 2012-2013 is a balanced budget, probably the only one to be offered to citizens anywhere in the country this year. It keeps the economy growing by maintaining lower debt and historic tax reductions, investing in key capital and programming areas, and sustaining and enhancing core government services.

The Minister of Finance in his budget address a few days ago talked about how Saskatchewan is now a have province, how

our economy is leading the nation. Our debt is lower and our provincial finances are sound. Minister Krawetz also talked about how this is a new era in Saskatchewan. Our population is growing. Our economy is growing, and our communities are growing as well.

Mr. Chairman, I'd like to take this opportunity to add to that. Attendance at our provincial parks is certainly growing too, as will be borne out by the statistics. 2011, our last season, was in fact a record year for Saskatchewan provincial parks with 3.37 million visits being recorded across the park system, which surpassed the previous record. We are very, very proud of that indeed and many other things that our ministry is doing and will do in this upcoming year.

This budget fulfills the government's promise to invest an additional \$10 million over the next four years to improve provincial parks. This year an extra \$2.5 million will be spent on things like improving washroom and shower facilities — so-called service centres — upgrading picnic tables and barbecues, and adding more electrified campsites. This builds on an incredible amount of good work the parks service branch has done in recent years.

Mr. Chairman, you will recall of course that in 2008 our government made a promise to add electrical service to 1,000 campsites over the next four-year term. I'm very pleased to confirm to you that we have met and in fact exceeded that target. This year nearly 1,100 newly electrified campsites will be available to our park visitors for their enjoyment.

As well this year for the first time ever, our campers were able to book their campsites online and receive confirmation in real time. It's a wonderful system that allows campers to see a picture of their site, to see what is available on any given day, and to book their site online. Granted the opening day of reservations didn't go quite as expected, but even that speaks to the incredible popularity of our parks. We had thousands and thousands of people trying to book their campsites first thing in the morning.

As I recall, the folks that set up the reservation service said, we'll give it a very, very stiff test. We'll have 3 or 4,000 hits simultaneously, and we hope that the system can withstand that. It was tried and it was proven to be correct. We did in fact succeed in that trial. But on the morning of March 12th, there were 10,000 people waiting to book simultaneously at 8 o'clock in the morning. And 10 minutes later at 8:10 a.m., there were 15,000, something that exceeded everybody's expectations and certainly the service provider's expectations. There was simply more interest than our service provider could ever have imagined.

Now to put that into perspective, I'd like to read a couple of lines from a letter that we received from Camis. Now that's the service provider located in Cambridge, Ontario. It reads as follows, Mr. Chair:

The volume of reservations was much higher than anticipated in the first day. Total volume of 13,500 new reservations was also much higher by a factor of three than Camis has experienced with other customers. For example

the record daily volume for Ontario parks set on March 1st, 2011 was 4,392.

Mr. Speaker, you will be well aware that Ontario's population is fully 13 times that of Saskatchewan's. This is indeed remarkable — three times as many reservations as Ontario — and this speaks volumes about the popularity of camping in Saskatchewan and the passion of our campers. In one day we processed almost 14,000 reservations, and by way of comparison, Mr. Chair, that's more online reservations than we did all of last year.

As our Minister of Finance has said, this is indeed a new era in Saskatchewan. With this year's budget, we will have spent more than \$46 million since 2008 in improvements to our provincial parks. In fact the parks budget is up by 250 per cent.

I'd like to provide an update on two potential new provincial parks that members may be aware that we're pursuing. Consultations continue on the proposed new parks in the Lakeland area — that's the Emma and Anglin Lake area — and the Porcupine Hills area near Hudson Bay. We've started consultations and received positive feedback on both proposals, but we also recognize that we need to do more consultations specifically with First Nations and Métis communities in the respective areas. We're working on that now, and I hope to have more to report in the not-too-distant future.

Our provincial parks are just one piece of Saskatchewan's park system. We have beautiful urban parks that do great work, and we have a regional park system that also provides opportunities for enjoyment. In fact they have more park sites and more campsites than our system. I think they're up to about 6,500, and our provincial system has about 6,000 at present.

Over the past four years, we have made additional one-time investments in some of our urban parks, and we've provided increased funding for trail development in some of our urban parks as well. For our regional parks, our government made a commitment to provide \$2.4 million over four years to help them upgrade their amenities and to meet regional parks' regulatory requirements. We have exceed that commitment, Mr. Chair, and are now moving forward on a new commitment at a higher funding level.

We have been asked to look at some legislative changes that would result in several positive changes including increased clarification for the significant role played by the SRPA [Saskatchewan Regional Parks Association] in helping to administer and deliver the regional parks program, recognition of the role played by non-profit organizations in the operation and management and funding of regional parks, and modernization and updating of *The Regional Parks Act*, enacted in 1979, which was first written . . . Well actually it was updated in '79 and first written in 1960, so it's due for a review. The SRPA has been asking for these legislative and regulatory changes for more than 10 years now, Mr. Chair, and we're pleased to be working with them on this important project.

We have big plans for our park system over the next few years. We're going to continue to improve the visitor experience in every way that we possibly can. Our parks are truly the jewels of our province, and they are integral to keeping the

Saskatchewan advantage in terms of quality of life.

Mr. Chairman, I'm pleased to tell you that with this budget, our government is also keeping its promises to expand the active families benefit program. Budget 2012-2013 includes an increase of \$3 million to expand the program to include all children under 18 years old. And previously the benefit was for children aged 16 or 6 to 14, so this is in fact a large improvement. That benefit is a fully refundable tax benefit of up to \$150 per child and helps families with the costs of their children's participation in cultural, recreational, and sports activities. The active families benefit has in fact been a successful program, but many parents told us that the benefit would be even more helpful if it would apply to both younger children and older teenagers. And that, Mr. Chair, is exactly what this budget does.

We want to see children stay involved in positive activities like sports, like dance, and music lessons, and expanding the active families benefit will make these activities more affordable for more families. The expansion of the AFB [active families benefit], as we call it, builds upon an already generous benefit as compared with other jurisdictions, not only because of the expanded age eligibility, but also because generally most other jurisdictions use a different kind of refund system. We're very proud of this expansion and know that it will continue to add to keeping the Saskatchewan advantage for the residents of our great province.

Also adding to the Saskatchewan advantage in this budget is our commitment to community rinks. The community rink affordability grant, worth an estimated \$1.9 million in this budget, will provide an annual \$2,500 grant to assist communities to pay for the cost of operating indoor ice services. Our ministry is still working on some of the details about how to best deliver this program, but we will be sure to have a simple system for communities to register, and the funds will begin flowing this fall. I know that it's going to make a major difference to the communities who apply. These are the kind of affordable commitments our government is delivering to enhance the quality of life that Saskatchewan families have come to enjoy.

Mr. Chair, I'm pleased to report that budget '12-13 includes increased funding of \$2.5 million for an event hosting program in the tourism initiatives branch. This is a program of which we are very proud. The Government of Saskatchewan supports events to increase tourism revenue, create unemployment, increase volunteerism, increase opportunities for residents and non-residents alike, to solidify our provincial identity, as I mentioned in the statement in the House today, certainly to increase pride in our great province.

Events provide residents the chance to participate in new and unique activities. They provide exposure to different cultural, recreational, and sport activities, and they also provide a forum to generate interest for those activities amongst a wider audience. Major events provide a return on investment and grow the economy. Here are a couple of examples. Notably, the 2010 IIHF [International Ice Hockey Federation] World Junior Hockey Championships which generated an estimated \$86.6 million in economic activity for the province, and here's the breakdown: 49.6 of that was in Saskatoon, 18.9 million in

Regina, and the remaining 18.1 million in the rest of the province in a number of communities. And that's much more than significant, Mr. Speaker. It's incredibly important for our economy.

Since 2008 more than 70 events have received support. Most recently we supported the 2012 Brier in Saskatoon that I had the pleasure of attending. And we have some exciting events coming up that our ministry is supporting. And these will include the 2010 Canadian Country Music Awards in Saskatoon, the 2013 Juno Awards that we're presenting in Regina in conjunction with the good folks in Moose Jaw, the 2013 Memorial Cup in Saskatoon, and the 2014 North American Indigenous Games which will be in Regina. Supporting events like these provides a significant return on our investment. As stated, through stimulating the economy, it brings tourists, increased tax revenues, and it creates jobs. It also helps our government in keeping the Saskatchewan advantage, Mr. Chair.

You will have noticed an interesting note in the estimates for our ministry, perhaps, and while it doesn't have financial implications for us, I believe it will have an overall positive impact for our province. Our ministry's mandate is to support, to celebrate, and to build pride in Saskatchewan with a focus on tourism enhancement, quality of life, and economic growth, as we have stated. With that in mind, this year we will work on transitioning Tourism Saskatchewan, at present a non-Crown operation, into a Treasury Board Crown. A few years ago our government hired independent consultants to do a thorough, comprehensive tourism system review.

Mr. Chair, government is very much wanting to be a part of the tourism industry. The reasons are simple. It's a \$1.7 billion source of economic activity for our province, and it supports nearly 60,000 jobs for residents of Saskatchewan. As we've mentioned already, we are increasing funding to our provincial parks, something that the tourism review clearly called for, and we committed \$10 million of extra investment over the next four years as well.

The review also recommended one point of entry for the tourism industry into government. By creating this Treasury Board Crown, we are in fact creating that single point of entry that they asked us to do.

And the review highlighted that this province is an anomaly in Canada in the following way. We are taking best practice from across Canada. It's worth noting that every other jurisdiction in Canada has already brought the tourism support functions into government either as an agency of the Crown or directly through a ministry, and we're following their good example.

You may have seen Newfoundland and Labrador's recent television campaign, which recently won the Tourism Industry Association of Canada's Marketing Campaign of the Year Award. Newfoundland and Labrador currently does this from inside their Department of Tourism, Culture and Recreation. You may have also seen the recent Alberta advertisements, and they're done by a legislated agency of the Crown called Travel Alberta. Just two of many examples coast to coast to coast in Canada.

Tourism Saskatchewan has done a good job. We want to thank them for all of their fine efforts over the years. We believe that these changes will make the industry in Saskatchewan even stronger and position it better for growth. This too of course is all in keeping with the Saskatchewan advantage.

[19:15]

Now I just mentioned Newfoundland recently won an award, so I should also tell you about an award that our ministry received, before I move on. Last summer our ministry launched the Saskatchewaner program. I'm sure most members will be familiar with that. It was a marketing pilot project and extremely successful. Billed as "the best summer job ever," the ministry hired a summer student through an online voting contest to travel around the province and blog about all the things that make Saskatchewan a great place to visit.

Of course our first Saskatchewaner, who was Andrew Konoff, saw some pretty amazing things as he would say in his own words. He went surfing. He flew over the Athabasca sand dunes. He went golfing and hiking and ate some great meals, and they were all made with Saskatchewan ingredients, he was happy to confirm to us. Just a few weeks ago, that project captured the Online Marketing Campaign of the Year Award at the Tourism Awards of Excellence Gala. That's a great achievement, something that we're very proud of, Mr. Chair.

Also worth noting, Cypress Hills Eco-Adventures Ltd., located in Cypress Hills Interprovincial Park, won the Rookie of the Year Award at the same tourism awards gala. The Saskatchewaner and I had the chance last summer to try out the zipline. It was an awful lot of fun, and actually I think that was one of the best blogs that he posted on the website. By the way, people from all over Canada and around the world, thousands and thousands of them, repeatedly visited that website. That part of it, all in itself, was a great success.

I should also mention that the PotashCorp Fireworks Festival won the Gil Carduner Marketing Award, and that's very significant because it's a festival that we provided event-hosting money to when it first launched. So it's great to see it's still growing and going. While I'm here, Mr. Chair, I'd just like to say a quick congratulations to all the nominees and award winners for a job extremely well done. We have a very vibrant tourism industry.

Mr. Chair, there are a couple of new programs that the new budget continues to support, and we'd like to take a minute to outline them for you. Firstly, Main Street Saskatchewan, a program that we're very excited about, Main Street is a community-driven program designed to successfully revitalize historic downtown commercial districts. It's based on the principles and best practices of community economic development, marketing and promotion, and heritage conservation and design. I think we're all familiar with how successful Moose Jaw's downtown revitalization — you in particular, Mr. Chair — have been. And I have high hopes for the communities that will be part of our Main Street demonstration project.

It's not a new program as many folks will realize. This is the second generation, and it's just as good if not better than it was

in the past. The four communities selected to participate in this iteration of the program are Woleseley, Indian Head, Maple Creek, and Prince Albert, and these communities were selected from 18 which had submitted proposals. We believe that through vision and creativity and planning, the historic main streets in these communities can return to prominence as places where commerce, community, arts, and culture can thrive and meet once again.

The Main Street Saskatchewan program is great because it supports economic development through heritage conservation and strengthens our province's growing arts, culture, and heritage sector. Main Street is a \$1.65 million investment over 3 years, starting last year, to provide funding assistance to the four demonstration communities that we mentioned to implement the program. The four communities were selected on the basis of community readiness, capacity, support, existing historic buildings, and of course potential for growth.

The three-year demonstration project includes matching funding to help cover operating costs and capital expenses for revitalizing main streets in each of the four towns. The Main Street program is one of the ways that the Government of Saskatchewan is implementing the new cultural policy, Pride of Saskatchewan — first in a generation, I'm happy to note — which calls for supporting heritage stewardship and strengthening the province's vibrant arts and culture sector, both of which contribute to the economy and to quality of life of our residents. Main Street is yet another way we're keeping the Saskatchewan advantage.

The second new program that I want to talk about very briefly is called artsVest. Our government partnered with an organization called Business for the Arts to introduce a \$1 million matching incentive program called artsVest. We're very proud to announce that in the summer of 2011 we were proud that the Government of Saskatchewan was investing a half a million dollars in arts and culture over the next two years through this program. artsVest is a sponsorship training and matching incentive program that will be delivered in Saskatchewan with funding from the Government of Saskatchewan and the federal government through Canadian Heritage with support from SaskCulture. The program, which will build lasting partnerships between cultural organizations on the one hand and local businesses in the communities in Saskatchewan, will provide \$300,000 for training and operational costs as well as \$700,000 in matching incentive grants to help cultural organizations generate new private sector support.

Business for the Arts estimates that approximately 120 cultural organizations will form partnerships with an estimated 260 businesses over the next two years in our province, stimulating over \$1 million in private sector investment that adds to the total. Saskatchewan is home to hundreds of innovated and dedicated cultural organizations and a business sector which has shown incredible support for our vibrant cultural scene through events such as the Saskatchewan pavilion at the Vancouver 2010 Winter Olympic Games and this spring at Prairie Scene in the nation's capital, an amazing festival of arts and culture.

artsVest is the perfect next step in building on that strong partnership between culture and business to further grow

prosperous and creative communities across Saskatchewan and expand culture's impact on our economy. We're very pleased to report here, then, the first round of funding announced just last month. Fifty-five organizations have been pre-approved for funding, very pleased about that. This was following a jury process and a review of 63 applications. There's a lot of interest in this program, and I'm very excited to see that it's been successful to date. We look forward to great results in the future.

Mr. Chair, we mentioned Prairie Scene there briefly, and I'd be remiss if I didn't take this opportunity to report back to you and everyone here what an amazing success Prairie Scene actually was. The arts festival, which is hosted in Ottawa at the National Arts Centre, was under way last year at this very time. Our government contributed \$250,000 to this major, multi-disciplinary arts festival which took place in April of 2011. During the two weeks of Prairie Scene, more than 200 Saskatchewan artists and their work were showcased in 80 venues around the National Capital Region, including of course in the theatres and halls of the National Arts Centre.

Ms. Heather Moore, the artistic director, called Prairie Scene the "best scene so far" in regards to box office sales compared to those at similar events devoted to other regions of the country. Again something else in which Saskatchewan leads the nation, Mr. Chair. Also an online art magazine said in their review of Prairie Scene: "as arts scenes go, there is perhaps no place with more creative punch per capita than the Prairie region." And we agree wholeheartedly with that assessment.

In the budget that we're talking about for this year, gaming and lottery revenues remain steady. Therefore the good work of the Community Initiatives Fund, SaskCulture, Sask Sport, and Saskatchewan Parks and Recreation Association will continue through their funding and support of provincial and community-based organizations all over the province.

The CIF [Community Initiatives Fund] as we call it continues to do really great work with their relatively new granting program called community vitality. Community vitality includes funding for projects involving construction or facility improvements, youth leadership or Aboriginal inclusion, and projects that reduce financial and other barriers to community participation. On December 14th, 2011, the CIF board announced the release of almost \$1.9 million to Saskatchewan community vitality grant recipients. These funds include 1.461 million for 64 capital projects and 420,000 for 24 community pride projects and events, typically 100-year anniversaries. Just before that, on June 15th, 2011, the CIF board announced the release of almost \$2 million. These funds include 1.660 million for 94 capital projects and 322,000 for 30 community pride projects and events. That's a fantastic record of success, Mr. Chair. It continues to help.

Mr. Chair, just before we conclude my remarks, I would like to speak to our government's decision in this budget to wind down the film employment tax credit of which everyone is aware here. This is a difficult decision. There's no question about it. And there's been a lot of debate about it in this House and outside as well. Let us say this. The FETC [film employment tax credit] represents an investment from the province of \$100 million since its introduction in 1998. But when you add the

\$110 million of further assistance in order to keep the doors of SaskFilm and the Saskatchewan-Canada Sound Stage open, we have a total investment of over \$200 million in that period. Eliminating the tax credit will save Saskatchewan taxpayers approximately \$8 million annually once it's fully withdrawn by December 31st, 2014.

We have, Mr. Chairman, despite the best efforts of the film industry and of government, we have results that have been disappointing. The operating environment for the film industry has changed dramatically in the last few years. Production is concentrated in the two Canadian cities of Vancouver and Toronto. We're not there. We're a long way from there. And Saskatchewan production volume has fallen nearly 70 per cent, as we've mentioned in the House, during the last four years alone, from \$74 million in 2007-08 to \$24 million in 2011-12. At the same time, Mr. Chair, employment in the industry has declined to 54 per cent.

And at the same time, other jurisdictions in North America have decided in many cases to increase their tax credits. They've created a bidding war. This government has clearly said that we want to avoid bidding wars with taxpayers' money. We have chosen, Mr. Chair, a distinctly different path. We have chosen a balanced budget and decided that we would have to make some decisions that might be difficult in order to achieve that overarching and paramount goal.

That said, we have met with the film industry. We've had some excellent discussions. We've listened to their concerns regarding cancelling the FETC. We have agreed to extend the deadline for registrations under this program to June 30th, 2012 — an extra three months. This decision will help the film industry take advantage of the spring production marketing season, will also help them to conclude business within the existing program, and gives them time to think about the future.

We also discussed opportunities that we think the film industry may be interested in exploring such as the industry taking over the sound stage, a possibility of a non-refundable film tax rebate program that would actually benefit film producers who would otherwise be paying income taxes in our province, and a program that could help our industry take advantage of digital media training and production, which everybody acknowledges is the future not only for the film industry but in fact for all creative industries in our province and elsewhere as well. As our Premier said just the other day, this is a reasonable approach from a government that says, we're out of the bidding war, but we'll look at other ways, creative ways, to sustain the industry.

Mr. Chair, the Government of Saskatchewan recently released its 2012-2013 budget, of which we are all aware. It's a budget that stands out in Canada as a balanced budget. It's a budget that improves access to health care and makes life affordable for more citizens. It's a budget that keeps our government's promises to expand the active families benefit, to improve infrastructure in provincial parks, and to support local community rinks as promised in the election platform. It's a budget that focuses on keeping the Saskatchewan advantage. Now, Mr. Chair, that winds up my introductory remarks, and at this point my officials and I would certainly be happy to answer any questions that committee members may have of us.

The Chair: — Thank you, Minister Hutchinson. For questions? Ms. Chartier, you had some questions?

Ms. Chartier: — I do. Thank you, Mr. Chair. Mr. Minister, you have just told us what cutting the film employment tax credit will save. But the big question is, what will it cost? I've asked you this in the House before, and you didn't have an answer. I'm wondering what the economic analysis was on this decision. What economic analysis did you use to cut the film employment tax credit?

[19:30]

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. We will caucus and be back in just a moment.

Thank you, Mr. Chair. Again we thank the member for her question. Well to repeat some of the most salient facts, I think it's fair to say that when the film employment tax credit program was established in 1998, people had high hopes that the investment of the future, for as long as that might go, for whatever number of dollars that might represent, was all in aid of building a sustainable industry and seeing growth into the future — more economic activity, more job creation.

In fact it has turned out to be exactly the opposite. As we've mentioned, although we've invested \$100 million in the film employment tax credit program over the years, in fact production is falling dramatically. It's down almost 70 per cent in the last five years and, as we mentioned, employment during the same five-year time period has dropped 54 per cent. So the first question that we would ask is, why would that be? That's all part of the economic analysis. If you see results that are disturbing, you'll want to find out why. And what's the prognostication for the future?

There are three main reasons that have been identified, primarily by the film industry folks themselves. Just 10 years ago, Mr. Chair, we used to have a Canadian dollar that was worth 63 cents US [United States]. And for the film industry, as with so many other industries here in Canada and Saskatchewan in particular, this represented an extraordinary competitive advantage over other jurisdictions where film production in this case would otherwise have been much, much cheaper. That attracted investment and film activity north of the border. And I think it's also fair to say that it attracted interest from other countries as well. This all of a sudden became a cheap jurisdiction in which to create film.

It's not the case any more. As anybody who's been watching the news knows, our dollar is now at or above par with the US dollar. It's 100.0-something today, according to the latest market report. It's not likely to change in the future. All of that competitive advantage has been wiped out, and it's probably not coming back. That's what the forecasters have told us.

Now the second reason is, because of continued shocks to the world economy, particularly the market correction or crash, call it what you will, in 2008, which started the ball rolling downhill and continued with the European sovereign debt crisis, and also the problems that our good friends south of the border in the United States are having with their economy — the sub-prime mortgage issue, massive unemployment, and continuing

fluctuations there in their economy — these things have all combined to make access to the investment capital needed to produce films much more challenging than in years past. And that's probably not going to change.

People might ask, well is it really risky? Why would it be tough to get capital to produce films? I think probably one of the best examples of that that we can offer, and again this is simple economic analysis, is Disney Pictures' latest blockbuster film in which they have invested \$350 million. It's already lost a reported \$200 million and will probably crater at 250, a quarter of a billion dollars, the biggest box office flop in history. This is from Disney Pictures, probably one of the oldest and most experienced producers of film products on the face of the Earth. And if it's risky for them, Mr. Chair, it's obviously much riskier for other smaller, less experienced organizations. That's the investment environment.

The third factor is the concentration of the industry. In a reaction to all of these other events, again these are obstacles that are not, that haven't been created by our film industry in Saskatchewan. It's beyond their control and beyond ours as well.

The industry has concentrated film and television activities in Vancouver on the West Coast and, in central Canada, Toronto. Vancouver of course is close to Los Angeles; Toronto is a hop, skip, and a jump away from New York — the two largest centres for film and television production in the US. That is unlikely to change as well. What we see here is that most of the production is migrating to these larger centres where there is already a massive number of people involved with the industry. They have that centre, that critical mass, and we don't. That leaves the other smaller provinces with smaller industries to fight over the scraps.

And the only way to maintain even the current production values, according to the film industry in its statements in the recent task force report, is to put more millions of dollars. The current investment isn't enough. In their opinion, it requires millions more each year. And that's to try to keep the current share. And if other folks, all in the bidding war, decide to up the ante, then the film industry might be forced to come back and say, you know folks, we have a revised forecast. Even that number now has been eclipsed, and we need more money. So that's the environment. That's the economic analysis.

Ms. Chartier: — Thank you, Mr. Chair. First of all, that wasn't an economic analysis. An economic analysis would look something like this. I mean, you've given me spin. Pardon me, Mr. Speaker, or Mr. Chair. With all due respect to the minister, he needs to cut the spin here. What economic analysis, what documents, what figures did you use to make this decision?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Once again we thank the member for her question, but we would respectfully remind her that facts are not spin; facts are simply the facts. It is inescapable that the industry is in decline. It is inescapable that nearly 70 per cent of the production value has migrated to other jurisdictions. It is inescapable that 54 per cent of the employment has disappeared. That's not spin, Mr. Chair. Those are just inescapable, hard, unavoidable facts. That is the truth and nothing but. It is simply that.

Mr. Chair, we can offer the following comments. There was a very enlightening interview on CBC radio, and this was broadcast a few days ago. It was Thursday, March 29th. The program was *Blue Sky* with host Garth Materie. He was interviewing a gentleman whose name is Bob Tannenwald. He's a professor. He's from Massachusetts, and his resumé notes, quite interestingly, that he served for 25 years as an economist with the Federal Reserve Bank of Boston and was involved with the Center on Budget and Policy Priorities where he did an in-depth study on film tax credits. Now here's what he said on this particular day:

I think they [referring to film tax credits] are highly cost-ineffective ways of creating economic development. There are much more cost-effective ways of creating jobs and income for Saskatchewan than film tax credits.

And he went on to say the following as well, "Film tax credits rob Peter to pay Paul. They don't pay for themselves." And he also mentioned, "The competitive aspect of each province offering film tax credits is irrational and self-destructive." Mr. Speaker, those are compelling ideas, and those sorts of thoughts guided our decision.

Ms. Chartier: — Thank you, Mr. Chair. Clearly there was actually no hard research taken to see what the economic impact would be on cutting this film employment tax credit. And just for clarification here, Mr. Chair, to the minister: in 2010-11, BC [British Columbia], Manitoba, Nova Scotia, and Saskatchewan all experienced growth in their volumes of theatrical production. Production volumes from 2010-11 increased 53 per cent from 2009-10, which includes non-film employment tax credit projects. So basically, I think the minister isn't acknowledging that there was a world economic collapse in 2008 and yes, the industry took a hit. And every other jurisdiction stepped up to the plate and are reaping the benefits, including our smaller, our neighbour to the east of us.

So clearly there was no economic analysis. This was completely a decision made based on ideology. I don't know what else it could have possibly been. So in light of cutting this tax credit, which will have a huge impact on all kinds of people earning a living here in Saskatchewan, not just directly in the film industry but in lumberyards, in clothing shops, caterers, restaurants all across the piece, your government has committed to sit down with SMPIA [Saskatchewan Motion Picture Industry Association], as they did last year. I have a quote, actually, out of estimates last year where again you and your officials talk about working with SMPIA, and clearly that hasn't been the case. So I always am a little worried when you say you're going to work with an organization and you cut something that was so vital to their industry. So you've said now that you're going to work with SMPIA in the next few months. This is absolutely imperative. This is an industry where people leave to go where the work is. I've asked you this, too, in the House: what is happening right now between now and the winding down of the film employment tax credit to ensure that there is something in place?

Hon. Mr. Hutchinson: — Again, Mr. Chair, we thank the member for her question. Here's something that we need to read into the record. It's a clarification and I think it's appropriate to offer at this point in time. Now we've said this many times in

the House and we'll say it once more again here. We certainly accept that all industries create economic activity and all industries create jobs as well. There's nothing different about that with respect to the film industry. But not all industries create significant tax revenues for our province.

The film industry is one of that category. Most of the film employment tax credit payments that have been offered to companies don't actually go to reducing income tax that they would otherwise pay. In fact 98 per cent plus is just a grant really. Let's call it a grant because that's in fact what it turns out to be to anybody doing business here. And then if somebody else offers a higher price in the bidding war that's going on in North American jurisdictions, off they go to the next jurisdiction. Less than 2 per cent of the payments made in all of these years out of the film employment tax credit program have actually gone to reduce taxes payable by Saskatchewan corporations to the province in which they're doing business.

Here's a couple of figures. The last four years of figures that we have available from Finance are 2006, '07, '08, and '09. When you add up the FETC payments claimed and paid in those four years, it amounts to \$45.3 million. How much of it actually turned out to be a grant that doesn't reduce taxes at all? Fully 44.72 million. In actual fact, what Finance is able to confirm is that in each of those four years if you average them out, the amount of tax payable that this whole program has reduced is something less than \$10,000 per year — a tiny, tiny fraction.

This program actually isn't doing what tax credit programs are designed to do. That's one of the reasons that we're moving away from it and that's all part of the economic analysis. The economic analysis shows that the program is flawed and it's not achieving its stated purpose. We're moving away from it in this particular way in exactly the same way that we're doing it with other research and development oriented activities.

If the member wants to peruse the budget in more detail in areas outside of her critic responsibility, she'll be able to find that this is precisely what we're doing in our R & D [research and development] activities as well. We're moving away from a grant program to something that actually reduces the tax that otherwise would be employable on income earned by Saskatchewan-based corporations and payable to the province.

So what we've said is while we're moving away from that, we're looking for a win-win situation in which we can come up with some sort of a program which actually is a tax credit program which rewards companies that do business in our province by helping to reduce the income tax that otherwise would be payable. And now that's exactly the same as we have in other industries. That's something that was offered by the Premier to members of the industry in our very first meeting some time ago. That was enthusiastically received and we have reports that the film industry is talking to folks who are accountants, financial experts, about what kind of a program that might be. Their intention, obviously, is to return at some point in the near future to discuss a program that they think meets that requirement.

[19:45]

Now in the meantime, the Premier's also offered other things.

As he said, perhaps the industry would actually like to take over operation of the sound stage, which we recognize was one of the factors that was keeping us competitive for so long in the film industry itself. That's something that the film industry is thinking about at present too.

What about setting up a co-operative, suggested the Premier. What about a non-profit organization, something that didn't actually have the burden of having to turn a profit, but something that could just keep itself above water and that would allow the film industry to operate the sound stage by the industry and for the industry on its own, without a third party looking over their shoulder?

What about the possibility of further research into digital technology, was another idea offered by the Premier. Now this is pretty exciting stuff. If you think about it, the music industry is pretty much already there. Gone are the days when you'd have to cut vinyl records and distribute them through warehouses to retailers and into the homes of people with record players. These days you simply record something digitally, upload it onto a website, and people can see it on YouTube. People can then buy it. They can download it onto laptops, personal computers, smart phones, all these devices.

Instead of having a market in Canada which, you know, perhaps at its largest might be a couple of million, you now have a market which potentially around the world would be perhaps as large as 2 billion. That's the power of digital technology. The music industry has warmly embraced this technology and moved very significantly down that road. The film industry has challenges in order to achieve those goals. What about if we set up some sort of a system that would encourage and reward that kind of original digital research? Maybe we can do that, says the Premier.

So those are the three ideas that the Premier has suggested: a tax credit program that actually is a tax credit program; taking over the operation of the sound stage for the benefit of industry members; and finally, a renewed interest in creative industries — not just film; it could actually include a lot of other industries too — and learn from the expertise that they developed in recent years, mind you, as well. Those are the three broad ideas that were suggested by the Premier to Mr. Goetz who's the president of SMPIA and the membership. And that's what they're working on right now.

Ms. Chartier: — Thank you, Mr. Minister. Can I have a timeline on that? I know we've had loose commitments last year in estimates where we're working with the film industry. You've got a task force from October 2010 where nothing was done, that SMPIA I know was waiting, waiting last budget, hoping for something out of the budget, waiting with this budget, and instead they got a film employment tax credit cut, which, with all due respect, I think the folks who work in the industry know what's needed in the industry.

So again, I've spoken and I'm sure you've gotten the hundreds of emails and letters from people saying if something isn't in place shortly, we're talking a month or two, the last remnants of this industry, people are already making plans to head to Manitoba, to Vancouver, to Toronto. So timelines here. When can we expect to see something coming from an announcement

about what you and SMPIA have worked out?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Well first of all we'd . . . might like to make a correction with respect to the task force that was assembled. The first thing that we need to point out is, we actually pulled it together ourselves. This is the government that actually recognized there are significant challenges in this industry and it's just about time that a government, some government, any government sat down and engaged members of the industry at the table and said, let's sort through the problems and see if there's any solutions. So that was, in fact, our government's initiative. That's the first thing that we need to point out.

The second thing is, there were in fact a couple of interesting results that we are able to follow up in the time frame since the thing was completed and the present day. One of the top priorities that was explained to us very clearly in the report was, you know, we have this FETC program as it currently exists, but it takes a long, long, long time to get payments. Typically speaking, what happens is, is that just about at the start of a production of a picture, folks will make an application for registration in the program and once accepted — and they get that registration form received and approved — it could be a year or two till they actually get all of the principal photography and all of the post-production work and all those other things that go into making a movie done. It's only then that they can get their payments. And the payment process itself turns out to be a very long, involved, and complicated process. Part of it is handled through the provincial government and part of it is federal responsibility.

Now we weren't able to do much about the federal thing. That's up to them of course, but what we were able to do was to look at the process in our ministry for approving FETC payments once the film production is finished, and the payments are due as soon as the processing is done. And we actually collapsed that time down to almost half. I think what we did was we saved about 45 per cent of the time that it would have taken under the old system. Now that's not just a significant improvement. That's a dramatic improvement.

At the same time we recognized that it would be a worthy experiment to increase the funding to SaskFilm for marketing, and we provided approximately \$100,000, which is a very significant increase in their marketing budget, to do precisely that. So two immediate and important results directly from our activities with the industry coming out of or related to recommendations that were in the report.

Now as far as the member's question about the timing, clearly we have a three-month window here. Three months has been set by the Premier in which we can do a number of things. Certainly of all, this is the time where they . . . It's called the harvest season, if you will, to use an agricultural term. This is the part of the year where film producers conclude deals and make their financial arrangements. And they said, we need an extension because we need to get that business done, and if the program disappears before we actually get that stuff done, that doesn't make a lot of sense to us.

So what they asked for was a three-month extension. And they said, in that three months we will conclude all of these business

deals. We'll get through our harvest season, so to speak. And they also said, that's the time frame in which we will also apply ourselves to the three things that the Premier has suggested — the sound stage, a real tax credit program, and something in the way of new research and development into a digital technology for the benefit of the film industry. But we would also like to see the possibility explored of including other industries under that umbrella, as we said a moment ago.

So there we have it, Mr. Chair, a three-month window. And there has been some conversation initiated. We look forward to speaking in the future with the film industry about the results of their good work, and we'll move on from there in that three-month window.

Ms. Chartier: — Thank you, Mr. Chair and Mr. Minister, again. That's a bit of déjà vu from last year as in estimates I asked the same questions around the task force and you told me about the lean initiative on the tax credit, which is not what they were talking about. And just on that note actually, I know that you've said that the 6 to 1 return on investment on the tax credit wasn't satisfactory. Well I heard in Public Service Commission estimates last week that the return on the lean program is the same return, 6 to 1. So it's good enough apparently for the lean initiative to have a 6 to 1 return on investment, but not for the film employment tax credit.

The point about the 116,000 for marketing, that was not in the task force report. So basically all recommendations from the task force report were ignored. Part of your key actions in '11-12 were building on the work of the film industry task force and working with Enterprise Saskatchewan to investigate options for strengthening the film industry in Saskatchewan. From 2011, 2012, since this last estimates, what have you done to strengthen the film industry in Saskatchewan?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Well first of all, a couple of things that we've done to strengthen the film industry. The improvement in timing for the payments to film companies with respect to FETC, that 45 per cent improvement was definitely something that strengthened the industry and something that they responded very favourably to. Also the increase to SaskFilm's marketing budget strengthened the film industry, and that too was commented on favourably by the industry. So there are two things right there.

The thing that we didn't do, which was requested, was to budget immediately for \$3.5 million extra in the 2012-2013 budget. That was one of the recommendations that came out of the film industry task force report and we didn't follow it. What it did was it made us stop and to think and to reconsider, where are we going with this thing? Do we want to now get into what is very clearly a bidding war with other jurisdictions? Do we want to table a deficit budget of \$200 million like New Brunswick did? Or how about a \$600 million budget deficit which is where Manitoba appears to be going? Or maybe a \$900 million budget deficit which was tabled by the government in Alberta recently.

Now as it was mentioned in the paper that it's odd and certainly incorrect to draw a direct line between winding down one tax credit program and running a major deficit like that — and I certainly agree — the logic is simply this: that governments

across this country have said yes to the bidding war and have said yes to a number of other investments which they, in their heart of hearts, feel is best for their economy, best for their quality of life, ultimately best for their residents, and said that means of course that we'll run a deficit budget and we'll increase the provincial debt in the process. Inescapably.

What we said was, we are going a different way. We promised that we would offer people a budget that was balanced both on the summary side and the GRF [General Revenue Fund] side, and that's indisputable fact. We did that. It also means that some difficult decisions have to be made and that means you can't say yes to absolutely everything.

What we decided to do is to respond to other priorities as well. We have enhanced colorectal screening; we have more money for the cancer agency. We've said if . . . The Premier has said if you're one of those people who has someone that's languishing on a surgical wait-list, a wait-list that grew to over 18 months here in Saskatchewan, the birthplace of medicare, and if you wanted to see something done about that, this budget is for you. If you wanted to see less talk and more action about a new hospital to replace the 100-year-old facility in North Battleford, this budget is for you. And, Mr. Chair, you'll be well aware of the investment that will see a new hospital arise very quickly in Moose Jaw. This budget is for you, says the Premier.

But it can't do everything and accommodate all of those priorities and be balanced. What we found in other provinces is that they said we'll do most if not all of these things and we'll run a deficit budget and we'll actually increase the provincial debt. Our path is different. We know that sets us apart from the other provinces and we're okay with that.

I want to talk very briefly about the ROI [return on investment]. I'm not convinced that the ROI for the industry is in fact 6 to 1. I think it's more like 3 to 1. The \$100 million invested in the film employment tax credit program since 1998 needs to be added to the \$110 million invested over the same time period to keep the sound stage going and to keep SaskFilm going. That's an investment of approximately 200. And if the \$600 million figure for economic activity over that time frame that's being advocated by the members opposite is in fact correct, then that means it's a 3 to 1 ROI. And with respect to whether 3 to 1 or 6 to 1 is good, bad, or indifferent, we haven't actually pronounced on that whatsoever. We've never said one is good or one is bad.

We've simply made the following observation. In Tourism, Parks, Culture and Sport, the ministry I have the honour to represent, we're already in a business if you will. We attract signature events to the province through the hosting, the event hosting division of the ministry, and typically we're looking at returns that are approximately 10 times that — some a little less, a little less and some obviously a little bit more — but that's the kind of ROI that our ministry is typically looking at from our investments.

We haven't said that that is better or worse than anything else; we've simply said it's different. And I've even gone so far as to say that, not that everything the government does needs to create such a handsome return on investment — it's great if it does — but there are lots of reasons why you would get into something, ROI just being one of them, quality of life as

another. There are all kinds of these things. We've never said one is good or bad — just different, Mr. Chair.

[20:00]

Ms. Chartier: — You keep mentioning the sound stage. And I asked you this last year if you had any plans to sell the sound stage, and you were quite aghast that I would ask such a question and said, no, no, no, you don't. But just on the sound stage, one of the recommendations right after you privatized SCN [Saskatchewan Communications Network], your government privatized SCN, you did call the task force, but that's because there was huge public outcry and the task force was an opportunity to create a little bit of space between you and the industry and the outcry.

And part of that task force recommendation was around the series incentive which was also something that you did in that time period, or your ministry had done in the time period. I'm just wondering why . . . First of all, can you give me some idea about numbers in the sound stage in this last year and why have you not built . . . That would have been . . . If the sound stage is sitting empty, why would you not have used the sound stage to leverage further production and not enhance the series incentive which was something, one of the recommendations?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. We need to clarify that the job of attracting film production to the sound stage is actually the responsibility of SaskFilm. That's their mandate; that's what they do. And we provided them with approximately \$100,000 of extra marketing money.

This is a typical example of where they invested that money in their struggle to attract production to the facility. They went to Los Angeles, which is of course where a lot of the film financing is, where a lot of the producers are and all the crews as well. They went with SMPIA. The producers of films who are here in Saskatchewan will also recognize that they have a responsibility to try to support the sound stage by attracting work for that facility. And that's why it made great sense for both of them — the producers, the members of SMPIA, and the folks that work, the good folks that work at SaskFilm — they went hand in hand down to Los Angeles, joyfully, spending some dollars to try to attract more production.

The fact that they weren't successful to the degree that some might wish is not a reflection on their lack of effort, their lack of commitment or any such. It is simply a reflection of the brutal reality that we have lost our competitive advantage with a dollar which is at or above par with the US dollar. The fact that it is harder all the time to attract what is, I think we ought to be honest and term risk capital for film production, and certainly the continued concentration of our film and television industry activity in Toronto and Vancouver — a long, long way from Saskatchewan — those are the realities that are reflected.

But we think that SaskFilm and we think that SMPIA worked very valiantly and in a very dedicated fashion together in order to try to increase the production, did the very best with very difficult circumstances, Mr. Chair.

Ms. Chartier: — Thank you, Mr. Chair. And, Mr. Minister, that was not an answer to my question. So is the minister saying

SaskFilm and SMPIA were responsible for the series incentive in the first place? The question was, why did the ministry choose to do this two years ago and not choose to enhance the series incentive for a sound stage that's been sitting empty, that would have little or no cost if it's already sitting empty? So I'm so glad he just passed the buck on to SMPIA and SaskFilm. But where is the ministry's responsibility for not implementing a single recommendation and including the recommendations on the series incentive or an incentive to use the sound stage? Why did the ministry not do anything to give the SMPIA and SaskFilm the tools to attract people and business to the sound stage?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Well it was actually our ministry that initiated the series incentive in the first place, and the task force identified series as the most important stabilizing element in the industry. It provides ongoing revenue, and it also provides ongoing work for crews, much more so than film could ever do. The problem with film is, it comes and it goes. There's a flurry of activity, and then they all leave town. The group packs up and goes to the next place, and there's nothing for anybody to do, and certainly nothing going on in the sound stage.

So what the task force said was, the series incentive initiative would be a great thing. Aim it at series simply because if you can land one of these things, there's a number of particular episodes. That keeps the crews busy for a lot longer. It keeps the sound stage busy for a lot longer. And then of course there's always the prospect, the hope that if the series is successful, the network that's airing that particular program will decide to renew the contract for a second year or a third year or a fourth year — more economic benefits, more employment, that sort of thing.

So we also need to recognize that the sound stage is big enough to accommodate only two series productions of any significant size at the same time. There might be a little bit of wiggle room here and there for a small production that you could squeak in between episodes, but that's the capacity. You can't have a dozen of these things. And you can't have, for example, two series being filmed there and a bunch of feature films. That's just beyond the capacity of the facility.

At the same time, recognizing other opportunities that might emerge in film from time to time in addition to series, the sound stage already has what they in the industry call a low rate card, i.e., discounts for film productions. And they're particularly looking after two kinds of film productions: low-budget — people with a low budget, and they can offer a discounted rate and perhaps attract them to a facility that they might otherwise pass over — and also off-season. You know, film has a season like everything else. If you have people that are willing to come to the facility to fill up the space and to keep crews busy outside the busy time of year, then you can and you do offer them a discount.

There already is an incentive — informal but very carefully applied and as successfully as possible by the good folks at SaskFilm. They're already doing as much as they can in both of those areas, both to offer discounts to series to attract them and to offer discounts to film productions to attract them as well.

[20:15]

Ms. Chartier: — I think the key point is informal. The task force had recommended some formalization of incentives to use the studio, which you didn't implement.

This is my last film question. Obviously time is of the essence here. There's lots to cover here. But I think the one thing that I really . . . I sit here and I hear lots of spin. And I know you say it's not spin, but it clearly is. I mean for all the people who work in this industry who are leaving the province, who have families, who have grandkids, who have homes, this is all spin to them. This is all that they hear is you devaluing an industry that created jobs. And people, creative, entrepreneurial young people will be leaving our borders.

So I think the bottom line is I'd like to pin you down a little bit on this timeline, this three months. We have, well, less than three months now till the end of June. Are you committing to ensure that there is something in place to support the film and television industry that will meet their needs by the end of June?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. I'd like to return for just a moment, if I could, to the member's statement about formal versus informal support for film production. It may well be that the industry and the task force recommended that a formal mechanism be created to accommodate film in that regard, in the same way that the series incentive was established.

But with respect to the industry, we think that the experts in terms of marketing product are SaskFilm. That's their mandate. That's what they do. Their sole purpose other than administration is to actually market. That's why they're there. And they have a sound stage facility that they market as vigorously, as aggressively, and successfully as anybody I can imagine doing.

That's why we're happy to accept their advice that, while the series initiative was certainly a welcome creation, that they're doing the very best that can be done informally with respect to similar discounts being offered to individual film producers. And as they said, they're after two groups: the low-budget ones that they think they can attract and certainly people in the shoulder season or the off-season, the off-peak productions. So we certainly are happy to accept SaskFilm's word in that regard.

And as to what can we expect in the three months to come, well here's what the Premier said himself. Here are his exact words: if you want to work with government to find a better way to sustain the film industry, we are ready to work to see what can be achieved together. That's what the Premier said. I think we can rely on that. And as far as I'm concerned, what that means is there is continuing interest in sitting down with folks at the table to try to work on the three initiatives that the Premier himself actually proposed. These weren't provided by the industry. These were provided by the Premier. And so we continue to welcome discussions based on those three ideas, and we have a three-month window in which to accomplish these tasks.

Ms. Chartier: — So you anticipate having something in place at the end of three months. And you don't need a 10-minute conference for this for the people at home who are watching every question. When we go off the air, there's many questions that require more time to discuss, but you don't need a 10-minute conference to answer the question. Will you have something in place at the end of June?

Hon. Mr. Hutchinson: — Mr. Chair, you're right. We don't need a 10-minute conference there. The very best efforts by both groups, industry and government, are expected, and we'll see what the results are. Everybody's best interest will be served by coming up with something substantial. All of a sudden we have three interesting new ideas that have never really been considered before, and we have an industry full of disciplined, hard-working and yes, by definition, creative people engaged in this discussion. So we certainly look forward to the results. Can I promise precisely what will emerge from that discussion? No. No one could.

Ms. Chartier: — I'm sure that all the film folks at home are taking great heart in those comments, Mr. Minister — with my tongue firmly planted in my cheek.

With respect to the active families benefit, I have some questions around that. Since it was first introduced in 2009, initially 18 million was budgeted in '09-10. In '10, '11, '12 it was 11.2 million, and then last year in '11-12 it was 9 million, and then this year 12 million. And you've increased the age range, which is great. But I'm wondering about . . . Obviously was it undersubscribed? It's a refundable tax credit. So I'm just wondering why you started out at 18 million and it's been reduced.

Hon. Mr. Hutchinson: — We thank the member for her question, Mr. Chair. Well we started with a budget of \$18 million, as acknowledged. And that assumed 100 per cent take-up, not because we were absolutely convinced there would be 100 per cent take-up — of course you never know when you start — but it could have caught on very quickly and we certainly didn't want to underbudget if we could possibly avoid it. It was reduced on a year-by-year basis, based on the experience of the previous year. So we've tailored each successive budget based on the results of the previous fiscal year. At the same time, wanting to make sure that as many Saskatchewan families become aware of this good program as possible, we've also increased our promotion of the program so more people will know about it. And the deputy minister has some of the technical details.

Ms. Young: — Yes, if I could just add on the numbers. In the 2009 tax year, which was the first full year, we had . . . The benefit going out was about \$5.525 million and in the 2010 tax year it rose to \$6.643 million. So those are the, that is actually the experience we've had in the first two years. So we actually are trying to track this and have the budget that will match what we believe the uptake will be.

Ms. Chartier: — Just a question around, well two questions here. When you say 100 per cent take-up, what exactly does that mean? And you mentioned increased promotion, so is the increased promotion just now that you're doing that?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Well the reason for including \$18 million in the budget for the first year of the program was simply that that's the theoretical maximum. I mean there's two ways that you can go about this. Guess what you think the participation might be and say, well that would be X number of million dollars; let's throw that in the budget and see what happens. You might get lucky and it might be about the right number but chances are it's probably not. It's so difficult to predict what a new program will yield in the way of results.

So what we had decided the best course of action would be is to simply say, it can't be more expensive than this number. Let's put this number in the budget and then we'll watch the results. And if they come in significantly lower, which is in fact what they did in the next year, we'll dial down accordingly; we'll be guided by practical experience. And we've had chats with the federal government about other kinds of programs and they've said, apparently that from what I can understand, that's the way that they go about it as well.

[20:30]

Now as far as advertising, we have been advertising the program right from the outset. But we thought that the expansion of the age eligibility — it used be age 6 to 14 and it's now everybody from zero up to their 18th birthday — was a great opportunity to ramp up the advertising, to announce the changes, and to try to reach as broad a section of the population about the program as we possibly could.

So here's a typical example of what that looks like. This is a copy of the parks guide. There's some 200,000, I'm told, that are produced in hard copy. It's also available on the website. And on the back of this, and also on the website too, is an advertisement, a full-page advertisement for the active families benefit. So yes, we have advertised the program right from the establishment of the program several years ago, and we have now upped the ante. And we want to make sure that we take advantage of this opportunity with expansion of the age eligibility criterion to make more people aware of the program so they can find out about it and get involved.

Ms. Chartier: — Thank you. With respect to the Saskatchewan Arts Board having its funding frozen this year and I believe last year, and the year before it had a small increase, ultimately that means there'll be cutbacks somewhere. Is there any plan for these cutbacks? I mean the Arts Board is basically the cornerstone of arts activity in the province and it's not keeping up with government spending and actually overall cost of living.

Hon. Mr. Hutchinson: — Mr. Chair, we'll be right with you.

Thank you, Mr. Chair. My position on this is that we can't simply look at one particular year and extrapolate from there. It might be a year where no increase was offered to a particular third party group. It might be a year when an extraordinary increase was provided to them. In both of those cases, you're going to get a distorted picture of reality. What you really need to do is to look at a number of years, go back in history; go back in time and provide the proper context.

Here are the facts and figures. If we look at the last four years of NDP government, a total of \$21.4 million was provided to the Saskatchewan Arts Board. Now in our first four-year term, Saskatchewan Party government has increased that to \$25.1 million, a fairly substantial increase notwithstanding inflation. So we think that that's a better way to look at it. You can't just look at one year or even two years. You need to look at a bunch of them. If there are particular trends, you can start to spot them, and you can certainly aggregate the figures as I've just done and come up with a more reasonable understanding of the history of funding. And that's the most important way to look at it, we think, Mr. Chair.

Ms. Chartier: — Do you think organizations like the Western Development Museum that are increasing their rates and dropping their Monday operations are imagining that they don't have enough money or that they're not properly being funded? Is that what you're telling the Western Development Museum and other organizations that have had either a decrease or are frozen? I mean the reality is the cost of living, the cost of utilities, the cost of wages all go up, and every year there's an impact on organizations. So what would you say to the Western Development Museum who is in the place where they feel like they have to raise rates and close on Mondays?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Once again we thank the member for her question. Now I do actually happen to have all the facts and figures with respect to the Western Development Museum's budget. And, you know, true to the principle that we reiterated a minute ago, it's not just one or two years. It goes back several years. In 2011 they received a 1.5 per cent inflationary increase from our government. In 2009 they received a 4 per cent increase, and in 2008 they got a 28 per cent increase. Now all together, Mr. Chair, that's the 34.6 per cent increase that we've been talking about. But if you go back one more year to 2007 — now that's just before the provincial election of that year — the NDP [New Democratic Party] government in its final budget gave the WDM [Western Development Museum] an increase of 15 per cent.

Now, Mr. Chair, when you add all of that up, that's an extra 50 per cent in just six years. And on top of all of that additional funding, which by the way was dedicated exclusively for operations, WDM got \$5.3 million for capital projects. Mr. Speaker, that's a lot of money. There are a lot of organizations that would say, we should be so lucky. We think that in that time period, the Western Development Museum has been in fact well looked after.

Ms. Chartier: — Could you tell me about that 28 per cent increase that the . . . please.

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Well the facts are plain. They're printed on the sheet. I simply have to do a little reading. That's all. Prior to that year, the budget was \$3.015 million. Now that's the fiscal year of 2007 . . . sorry, 2006-2007. It was 2.615 million. That's what I'm thinking about. Now in 2007-2008, it was increased to \$3.015 million. That's \$400,000 — that's the 15 per cent we're talking about. And the next year in 2008-2009, the \$3.015 million budget was increased by \$830,000 to 3.845 million. And that's the increase of 28 per cent. So two years.

Ms. Chartier: — What was that increase . . . heard the Janes report reference. Can you tell me a little bit about that and why that increase. That was not an inflationary increase. There was a reason behind that increase.

Hon. Mr. Hutchinson: — Thank you again, Mr. Chair. Well I wasn't the minister of Tourism, Parks, Culture and Sport there. We're relying on the advice of others who have better memories and experience in that regard than I do. But we do know that in 2006, Dr. Robert Janes — and he's an expert in this particular part of the world; he lives in Canmore, Alberta — he carried out a study of Western Development Museums' operations and that includes facilities, and it includes governance model, and yes, finances.

He outlined three options for the future. Option 1 was status quo funding, and in his estimation that would require at some point in the future a couple of facility closures in order to bridge the gap. Option 2, which he obviously liked better, suggested an infusion of \$600,000 in temporary funding. This is additional funding. And that would keep all the facilities open. It wouldn't do anything else, but it would at least keep all the doors open.

Option 3 was the one which he clearly liked the best. And it suggested an additional \$1.1 million in funding that was, in his words, and I've got a quote that I took right out of his report, "necessary to take the WDM to the next level of performance," and that would allow the institution to, as he says in his own words, "rethink and plan its strategic future." And the facts clearly show that over the following three years, the Government of Saskatchewan provided not zero extra funding, not \$600,000 funding, not even 1.1 million, but almost \$1.4 million in extra funding, again, just for operations. Is that a response to the Janes report? The suggestion is that's exactly what was happening.

[20:45]

Now while I wasn't there and don't know all of the ins and outs of each decision, it's a reasonable assumption from the information I have available to me at this point in time, Mr. Chair, that what was happening then was the government of the day was saying, let's meet and let's even exceed those expectations. Let's allow some breathing space for the Western Development Museum. Let's not require them to close facilities. Let's not hobble them so that they can only keep the facilities open but can't make any improvements for sustainability and a long-term vision. Let's give them even more than the money they asked for to create the opportunity for a strategic vision and a sustainable future. And that's exactly what we did.

Ms. Chartier: — So what do you think about them closing their doors and opening up and increasing their rates?

Hon. Mr. Hutchinson: — Thank you again, Mr. Chair. Well the facts as they've been presented to me are that the Western Development Museum hasn't had an increase in admission since 2008. And 50 cents for general admission, which equates to just under 6 per cent, isn't something that we would look at as unreasonable. And it's something which other institutions have to do from time to time as well. This is no different.

Ms. Chartier: — And how about closing the doors on Mondays?

Hon. Mr. Hutchinson: — Thank you once again, Mr. Chair. The information that's been provided to me is that WDM looked at attendance records for their facilities and discovered that Mondays have relatively light attendance. And so they've chosen to help bridge the gap that they're facing by reducing the hours on a day which normally has low attendance.

But the broader question and the more important question is the following: having had the experience of a report which suggests a major infusion of dollars for operations, and willing governments . . . Now let's give credit where credit is due. That wasn't all our government. One of the contributions was made in the last year of the NDP's last term. That year and the first two years of our first term combined has resulted in an extraordinary contribution of dollars. \$1.1 million was what was outlined in the report as being needed to provide perhaps a once-in-a-lifetime or once-in-a-generation opportunity for the good folks at WDM to consider their future. Some sort of a sustainable plan for the future is exactly what the Janes report is imagining. It's fairly specific. I read the thing myself, and I quite agreed with the recommendations. They're good recommendations.

That institution received not just that \$1.1 million that was recommended but, as we showed, 1.4. With that in mind, on behalf of the taxpayers of the province that have made that investment in this worthy institution, we ask and request that sustainable plan. We ask for that plan. We think it's time for the folks at Western Development Museum, our valued partners and our good friends there, to present the plan for a sustainable financial future. The resources were offered with that goal in mind, to the best of my understanding.

So the money was there. The time was there. We would love to see the results, and we'd love to have an opportunity to sit down and discuss them with our friends and partners at WDM.

Ms. Chartier: — How does the minister think organizations get behind when it comes to funding, needing a \$600,000 or \$1.1 million infusion? The reality is, if you're not making small annual increases so organizations can keep up with employment contracts, heating increases, whether you're the Science Centre or Wanuskewin in Saskatoon or the Arts Board, that's what precipitated needing the big infusion. The reality is, is organizations do need small annual increases to keep up with inflation, Mr. Minister.

The reality is if . . . There was a great quote, actually, from Heritage Saskatchewan in their press release following the budget. Kristin Enns-Kavanagh has this to say:

It's especially important to talk about heritage now because, with the province changing fast, we want to make sure we enjoy the benefits of growth without sacrificing our quality of life, and that includes a sense of our rich heritage. So the question becomes, if we aren't investing in quality of life now, when are we going to invest?

I mean we have record revenues in this province. We're talking about an \$11.2 billion budget. If you're not investing in all

those things that make life . . . well not only contribute to our economy but make life better, if now, when are you planning on doing this?

Hon. Mr. Hutchinson: — Thank you again, Mr. Chair. You know, facts always tell interesting stories, and the more we dig, the more interesting that it sometimes becomes. Now the member made an interesting comment. She said that it looks like a big infusion of cash was needed at a particular point in time to overcome the lack of ongoing, small annual increases. And if that in fact is a correct assessment, we would ask that the NDP provide an explanation for that because prior to the infusion of cash, it was in fact the NDP who were the Government of Saskatchewan. I think we need to look to that party for an explanation of why this major infusion of cash was necessary. There wasn't a Saskatchewan Party government in office at that point. It was in fact the NDP.

Here's a case in point. '05-06 the budget for WDM provided by the New Democrats was \$2.82 million. '06-07, the very next year, oops, it didn't go up. It didn't stay the same. It actually was reduced to \$2.615 million, Mr. Speaker. So rather than us providing an answer for that issue, we're unable frankly. We weren't the government at that time. The NDP was, and I think we have to rely on them for an explanation of how this need for a large infusion of cash came to be. I think they're probably right in their assessment that it is a lack of ongoing small annual increases that caused the problem, but you know . . . [inaudible] . . . an answer from the NDP. We can't provide one. They're the only people that can, Mr. Chair.

Ms. Chartier: — Thank you, Mr. Chair. It's 2012 just for the minister's information, and quite honestly, people do not have such a concern with what happened over a period of time. They're concerned about what happens now. They're concerned about their institutions and organizations closing or not being able to function. The reality, two wrongs . . . Perhaps funding is undoubtedly an issue. And the reality is though, this last NDP administration spent 16 years, a good chunk of that, cleaning up after a Conservative government and had limited resources.

There are record revenues in this province — \$11.2 billion budget, record revenues — and you can't invest in arts and culture apparently. This is not something that this government sees fit to do. 2012, Mr. Minister, and there are many people concerned about investments, whether it's the Sask Arts Board who ensures that . . . the Sask Arts Board, the WDM, all kinds of organizations that enhance our quality of life, contribute to our economic well-being. And quite honestly, that was not an answer. So freezing funding this year? Oh well, we'll do it because the NDP did it. 2012 — you're governing. What are you doing for these organizations right now?

Hon. Mr. Hutchinson: — Well, Mr. Speaker, I guess we're into it now, aren't we? I gather from the member's statement that she figures that nobody has a clear memory or any interest in what's going on in past years. I suppose by extension we're to believe that the closure by the NDP government of the day of 52 rural hospitals is something that the good folks of rural Saskatchewan have forgotten about and don't really care much about. But in my travels, in my travels in rural Saskatchewan, I can tell you that the exact opposite is true. And you know, if you're looking for proof, how many rural seats are NDP these

days? By last count . . . [inaudible interjection] . . . Our members here, they're coaching me. I can't think of any, can you? No, apparently there are none at all, Mr. Speaker, not even a single one. So I think we can lay that fallacy to rest.

And with respect to overall funding, Mr. Chair, the facts speak for themselves. But you know, I'll speak on their behalf. Here it is in black and white. During their last four years in government, the NDP invested a total of — here's the figure I'm looking for — the total investment by the NDP in arts and culture and heritage spending was, let's round it up a little, \$60.5 million. In our first four years, it was \$81.4 million. Now, Mr. Chair, that's an increase of \$20.948 million; that's 35 per cent. So to suggest that we haven't looked after and don't care about supporting arts and culture and heritage in this province is absolutely nonsense. The facts cannot be refuted.

[21:00]

Ms. Chartier: — The lowest level of funding, in proportion to the long-term average of overall government budget expenditures, the Arts Board allocation has dropped to .057 — the lowest level in over 25 years. That, Mr. Minister, is one of your facts that you have to contend with.

My last question here. In 2007 the province of Saskatchewan, under an NDP government, committed 2 million . . . pardon me, I've got my mind on Social Services estimates where I'm headed here in about 30 seconds here. So in 2007, the province, under the NDP, committed 2 million in support of the growth of the cultural industries through the Saskatchewan Arts Board. The first Sask Party budget of '08-09 reduced that to 1.5 million through the creative industries growth and sustainability program under an agreement with the Arts Board. That amount has been frozen at 1.5 ever since.

So I'd ask the minister: where is the growth capacity in this growth and sustainability program?

Hon. Mr. Hutchinson: — Well, Mr. Chair, we recognize that the member has other duties to attend to, so we'll try to be as brief as we can. But once again, what we have to do is to put this into historical context. I have to say once again that in their last four years of government, the NDP provided \$60.5 million of investment in arts, culture, and heritage. And in our first four years, it was 81 and a half. That's an increase once again of \$20.9 million. That's a 35 per cent increase. You just can't run away; you just can't hide from facts like that.

Now on a program-by-program basis, yes, the CIGS [cultural industries growth and sustainability] numbers were maintained and so on for the Culture on the Go, but we also provided \$550,000 for a Main Street program. They didn't actually provide that prior to our government. That's all new. The artsVest program, there's a quarter of a million dollars. That's another brand new one and a great one, Mr. Chair.

Here's another one, the Heritage Foundation. I used to be the Chair of the Heritage Foundation, Mr. Chair, and I can tell you that that place virtually ground to a halt. It got to the point where we had a grant pool that was so small, we were turning away more people than we were accepting. And the number of dollars we could provide them was nothing more than token. It

was becoming embarrassing. We changed that. We gave them a 74 per cent increase to their grant pool, Mr. Chair. We did that. The NDP didn't do that; I don't know why. But we did it. We thought it was important.

Again all of these new investments are part of the 35 per cent increase. And there is more. Certainly a lot of the dollars to Western Development Museum, and we went on at great length into detail there. General economic increases: Prairie Scene, an investment of \$350,000, an amazing success story. As they said in Ottawa, best one we've ever had. Thanks, Saskatchewan, you stole the show. And on and on it goes.

The military museum which is a wonderful new adventure, there's money for that. There didn't used to be in the past. Culture Days which is offered by SaskCulture, money there as well. Lots of other things. And of course money for signature events, the CCMAs [Canadian Country Music Awards] and the Junos. The brand new Building Pride program which never existed, there's three quarters of a million dollars a year being invested there.

Mr. Chair, there's a ton of new initiatives that they're not actually talking about. I wish they did. I mean they're Saskatchewan people. They should be proud of what we're doing to support the arts and culture and heritage community. And I suspect that secretly they are, they just feel bound by party discipline not to mention it in a venue like this. But all of these initiatives I've just outlined and more are part of the extra \$20.9 million, a 35 per cent increase. And those, Mr. Chair, are the indisputable facts.

Ms. Chartier: — Thank you, Mr. Chair. I will head off to my next committee here, but thank you to the Chair and to the officials. And I will beg to differ that the organizations who are on the ground doing the arts and cultural work here aren't feeling incredibly supported. But with that, thank you. Have a good night.

The Chair: — Thank you, Ms. Chartier. Mr. Minister, we will take a five-minute break right now. It's 9:07 and we will be back at 9:12.

[The committee recessed for a period of time.]

The Chair: — Thank you and welcome back to the Intergovernmental Affairs and Justice consideration of vote no. 27, the Tourism, Parks, Culture and Sport central management and services, subvote (TC01). Mr. Doyle, you wanted to continue with the questioning.

Mr. Vermette: — Thank you, Mr. Chair. To the minister and his officials, I guess I want to start out right away, I guess going into parks. And if you can give me an update on parks to see what your budget will be, this year's budget, what areas you identified. And I know there was room for increased funding to deal with some of the, I guess, parks that are, we'll say — whether some would say that I've heard — falling apart, falling down. Some are needing major repairs, some, you know, just needing minor repairs. So if you could just share the areas that you're going to focus on, I guess your ministry will focus on, it would be nice to have some clarification on parks.

[21:15]

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. We thank the member for his question. Well first of all I find myself surprisingly in agreement with his first statement. When we formed the government in 2008, of course one of the first things we wanted to do was to check the state of the parks and there is indeed a lot of work to do. As with health care infrastructure, as with school infrastructure and highway infrastructure, we inherited in the parks a very, very significant infrastructure deficit, so we knew that we had our work cut out for us. It was clear that the previous government had never really embraced parks as a priority, but we did.

We promised people that we would make very significant improvements. And here again, Mr. Chair, the facts speak for themselves. We increased the four-year investment in Saskatchewan's provincial parks from under 48 million to more than \$91 million. Now that's up almost 44 million or 90 per cent. And here's a breakdown. Parks programming went from \$11.6 million to \$17.9 million. That's an increase of over 50 per cent. The Commercial Revolving Fund subsidy went up from twenty-one nine to \$37 million. That's an increase of nearly 170 per cent. Parks capital, the very stuff that the member was talking about, what you see and use when you go to our beautiful provincial parks, that went up from \$13 million to \$33.5 million. That's an increase of almost 250 per cent.

Now, Mr. Speaker, it gets crazier than that. We have a beautiful regional park system. There's dozens and dozens of them out there, more than we have provincial parks certainly. And actually it's a slightly larger system. We have about 6,000 campsites, and the rural system has closer to 6,500. They are a wonderful partner. They're tremendous people, and boy can they get value for money.

Here's what happened. The allocation to the regional parks operated by Saskatchewan's rural municipalities went up from 500,000 to 3.1 million. Mr. Speaker, that's an increase of over 600 per cent. You know, I've only ever got a standing ovation once that I recall in my political career. It was the day that I went to the annual convention of the regional parks system and announced that great big increase in funding. They weren't expecting it, but they certainly liked it. And they knew that they had finally found a government that cared and appreciated, cared for them and appreciated for what they were doing with a budget to reflect it. So we know that the parks, our beautiful parks, are now in much better hands than they were in the past.

Now we have committed 10 extra million dollars on top of that level investment over the next four years to further enhance and beautify our provincial parks. That was a campaign commitment, and we're already seeing the results in this next budget with the government commitment to invest an additional \$10 million over the next four years. Parks capital and infrastructure plan will include the following improvements: replacement or major upgrades of approximately 12 campground service centres. Now for those that aren't familiar, Mr. Chair, that's the buildings where you have washrooms and showers — very important to the camping experience. Electrical service expansion of approximately 800 campsites, including two new campgrounds.

Two things on there . . . we made a campaign commitment, as some will recall in 2007, that if you elect a Sask Party government you'll get 1,000 newly electrified campsites. We not only met that goal but, Mr. Chair, we exceeded it. The number was closer to 1,100. And as far as new campgrounds, a couple of years ago I went to Buffalo Pound Park. You all know that it's a beautiful provincial park right next door to the good folks in Moose Jaw. We opened up a new campground. To my astonishment they said, don't you know this is the first provincial campground that's been opened in 20 years? Not since the Grant Devine era was there a new campground added to a provincial park. I shook my head in disbelief. But the truth is the truth.

So we're going to also upgrade or replace approximately 13 potable water systems. A good, steady supply of clean, safe drinking water is of utmost important in our provincial parks, Mr. Chair. We're going to upgrade or replace a number of sewage lagoons as well. That's the other part of the water system that sometimes escapes people's attention, but it's equally important, we know. Decommission approximately six waste disposal sites that have passed their time and need to be wound down. Replacement or major upgrades to two park administration offices and replacement of two park maintenance facilities, very important for the upkeep. Upgrades to several park boat launch facilities. We know that there are lineups on the May and August and July long weekends. It's very important that we try to upgrade those facilities and expand their capacity. Upgrades to various historic buildings and sites along the way, repairs to park roads and trails, that's of high importance as well. Replacement of heavy equipment assets, various other capital repairs and improvements to park facilities.

We can actually get down to the next level of detail. The associate deputy minister has provided me with the year-by-year priority list. So for the year in which we are now, fiscal year 2012-13, there is a priority on refreshing existing facilities and infrastructure, four new services centres, electrical upgrades to approximately 214 sites, upgrades to four potable water systems, the decommissioning of two waste disposal sites — those are landfills in other words — replacement of a number of heavy equipment assets, upgrades and improvements to one of the administration buildings we have in our fleet, upgrades and improvements to three historic and interpretative buildings, electrical service added to about 219 existing campsites.

Year two, we've already got it planned out and here's what it looks like: four brand new service centres — now that's going to be a tremendous asset to our parks — electrical upgrades to approximately 202 campsites, upgrade or replacement of three potable water systems. There is one sewage lagoon. We're going to take out a couple of the waste disposal sites, replacement of an administration building, and about 204 sites with new electrical capacity.

Year three, again we've got it all mapped out — three new service centres plus upgrades to a couple of others, electrical upgrades to approximately 193 campsites, upgrade or replacement of three potable water systems. There's a sewage lagoon in here. We're going to take on another one of those waste disposal sites we talked about. We're going to replace

one of the maintenance buildings and electrical service will be added to about 201 existing campsites.

And the fourth year, this is going out to the year 2015-2016 — three new service centres plus upgrades to one or two others, electrical upgrades to about 225 campsites, upgrade or replacement of three potable water systems, again a sewage lagoon, again a waste disposal site decommissioned, replacement of one maintenance building, and finally electrical service added to about 201 existing campsites.

So there in a nutshell, Mr. Chair, is the four-year capital plan.

Mr. Vermette: — And you talked about, I guess, inheriting different things, and it's good that you mention that because you inherited a lot of money that was sitting there too to do some of that good work that you're doing. And I say that it is good to see some of that work happening. It was time. The resources, the revenue are up. It's good to see this happening.

Now I'd ask the minister, your officials, to provide those if you could, those documents, copies to the committee so we could have those numbers you referred to and the plan. That would be nice if you'd do that. I'd appreciate that very much.

When you look at . . . And I know there's been a group and there are issues out there in the parks, and I've said that in my opening comments. I'll make it clear. I will assist as the critic for parks. I've got a group of people who are going to be taking pictures and we're going to be assisting when there's areas that need help, you know, and people have concerns. We'll take pictures and we'll be providing you with updates all over. And I'm going to try to get that going really good there. So there are already some volunteers wanting to do that and wanting to help out so that we can make sure areas of safety are being dealt with, because I've seen some of that and I'll make sure that the pictures that your department will get, the ministry will get so you guys can respond quickly to that. So just wanted to make that very clear on that area. So we'll be working with you to make sure those areas are covered.

I guess as far as parks, we know there's a lot of work to be done and you've said that and we'll get the list. But I guess I want to switch and go to tourism, and especially I think now is the time. We have only, you know, a short period of time and to save some time, I just want to suggest maybe the Chair and if the minister and your officials are okay when you do the huddle, I could come and join you and we can get this thing done simpler, whatever.

Anyway, Tourism Saskatchewan, we know that, you know, you're moving to have Tourism Saskatchewan as a Crown agency, very clearly. I think there was a review done in 2009. A lot of comments made about that review that Tourism Saskatchewan, the agency should stand alone, very clearly. And I think most people that we've heard from — whether it's the CEO [chief executive officer] or members, whether it's the small, independent owners that are members or it's the bigger outfitters or whatever you want — they're understanding too that everything was going really good. It was very successful. And it has. We've heard a lot of positive things and they've been doing a great job.

And I'll get into a little bit of the finances, and we'll talk about some of that as the evening goes on here, as we go through. But you know, that in itself has been such a concern, whether it was the survey done within two days that Tourism Saskatchewan and . . . The survey was done and over 600 people responded. The members and individuals and groups, organizations that work with them, partners, made it very clear. And almost 70 per cent, you know, disagreed with your government's plan. The way you, I think, are going about it, to turn Tourism Saskatchewan into a Crown corporation, the way you did it, it was done almost in secret. It blindsided them. Very concerned. People are troubled with that.

You're supposed to have open communications and stuff like that, and obviously that, I think, was not done in this case. And to be honest with you, it's been a practice, I guess, of surprise without consulting has been your government's way of doing business in the province. And that's unfortunate. We've brought that up many times, and organizations have brought that up that people aren't consulted. And you don't share or listen. So I want to make it very clear. We've heard that. You know that. And who directed you, and why are you going in that area? When you have a report telling you something, when you have the industry telling you arm's-length worked better and keep the agency that way, why have you decided to go against the report? Why have you gone against the members and the organizations, people that have made it very clear that this partnership was working?

It was very successful. People are very proud. There was huge, huge advances. We know that. And I'll give credit where due, that organization has done an awesome job. And it's unfortunate today, you know, the way they were treated. And I guess you could explain it in your comments. But anyway, to them, they were blindsided. And I think, to be honest with you, it's totally, it's unacceptable the way they were dealt with. But anyway I'll let your officials and yourself respond to that one to start.

[21:30]

Hon. Mr. Hutchinson: — Thank you, Mr. Chair, and once again we thank the member for his question. We're here to talk about the budget obviously, Mr. Chair, so once again we think that it's probably very appropriate and helpful to put the budget context on the table.

We made a commitment in 2007 to the people of Saskatchewan, heading into that provincial election. If you elect a Saskatchewan Party government, folks, what we're going to do is to honour the tourism industry by doubling our investment, doubling the investment. We know that today it's a \$1.7 billion industry, which makes it one of our biggest. They call it an export industry and I don't really quite understand why, but what it means is that it's one of the largest industries in terms of the number of dollars that it brings in from outside our jurisdiction. That marks it as very important. It also supports 60,000 full- and part-time jobs for Saskatchewan residents. That's an awful lot of jobs.

And, Mr. Chair, if I can digress for just a second, something that I think the member will find quite interesting. You know, many of us will assume of course that our daughters and sons

will pass out of grade 12 and then move on to a degree program at the U of S [University of Saskatchewan] or the U of R [University of Regina] or possibly will pursue a career in a trade via a certificate or a diploma from SIAST [Saskatchewan Institute of Applied Science and Technology]. But my question with respect to the tourism industry and the 60,000 people in it is this: what about those folks? Those folks aren't going to university and they may not get to SIAST. But they deserve to make a decent living, put food on the table, to support their families, to have an opportunity to contribute to their community. What about all of those folks? And that's what this is all about. It's about honouring those people and the economic importance of their industry. That's why we've said we're going to double the investment — because we need to.

Now we just talked about the huge increase in the parks budget and all of its different aspects. No need to review that again; that's on the record. But the other thing that we wanted to point out, germane to this particular question, Mr. Chair, is that we also made a commitment to increase the Tourism Saskatchewan budget by a full 50 per cent — something that the NDP could have done if they had wanted to, but didn't get around to, in the same way that they could have supported the regional parks but they didn't get around to it.

There's so many of those, Mr. Chair, but we don't need to dwell on that. The simple fact is we made a promise and, like 100 or so other ones, we kept that promise. Tourism Saskatchewan had, at the change of government in 2007, a budget of approximately \$8 million. Today it's about 12 million. That's the 50 per cent we're talking about and it's a very significant part of the doubling of the province's investment in this great big industry with so much potential for further growth. So that's the budget context.

As far as consultation, couple of things that we can read into the record that might be helpful, Mr. Chair. When we hired the consultants — it's the Tourism Company and Western Management Consultants, leading consultants — to do this study back in 2009 and '10, we knew that a consultation process had to be well planned. It had to be vigorous, comprehensive, and inclusive. I've actually got a page that I photocopied right out of the report so that we know that what we're reading comes directly from scripture, if you will. Here's a direct quote from this then. This is page 30:

Input was gathered in the following manner:

Initial key stakeholder personal and telephone scoping interviews (7) [of them];

Meetings with specific organizations: [And they go on to identify]

Tourism, Parks, Culture, Sport Senior Management Team;
Tourism Saskatchewan Senior Management Team and staff;

All five of the regional tourism authorities — that's the southeast, southwest, west central, north, and east central tourism associations, there are five of them — all of them were consulted. Focus group sessions, two in Regina and two in

Saskatoon.

Stakeholder telephone interviews with specific stakeholders (16) [of them];
Written input from Tourism Saskatchewan's President's Task Teams;

For those that might not be familiar, the CEO, the president and CEO has set up a task team for a couple of different issues, and these obviously were consulted by the consultants as well.

Written input from Tourism Saskatchewan Board;
Input from individual responses of session participants; and
Input through a web survey on IndustryMatters.com (45 responses) . . .

And it goes on to talk about all the people that were there, but you know, in brief, SUMA [Saskatchewan Urban Municipalities Association] is there, SARM [Saskatchewan Association of Rural Municipalities] is there, other folks as well. Now, Mr. Chair, that's a lot of consultation. That's something like 100 points of contact, but it doesn't end there. It doesn't end there.

We also have a list of other consultations that have taken place since then. We've talked to the people who represent the arts, culture, and tourism sector team for Enterprise Saskatchewan, the Regina Regional Opportunities Commission. We've also talked to Tourism Saskatoon. We've talked to the Saskatchewan Hotel and Hospitality Association, the Regina regional opportunities. Well we talked about them twice now, haven't we? We've also talked to the Regina Hotels Association. We've talked to Tourism Saskatchewan, and the list goes on. I'm not quite sure how to get to the bottom of the list, so I'll just, I'll just simply say there are other points of contact.

And I can read this into the record too, Mr. Chair, and I think this will be helpful. Last Thursday, which was April 12th of course, I met with the Chair and Vice-Chair of Tourism Saskatchewan about this very transition. Happy to report it was an excellent discussion, and we explained that during the transition to a Crown corporation, Tourism Saskatchewan's budget would remain intact and existing programs like marketing and quality assurance that are up and running would all be maintained. And we were also able to concern to the members of Tourism Saskatchewan that STEC, the Saskatchewan Tourism Education Council's continued eligibility for federal funding, was a top priority and would continue. They do good work and their activities need to be uninterrupted.

We also committed to continue seeking input from Tourism Saskatchewan regarding the regulations for the new legislation, a specific request from these two folks. And this is in regards to creating a new Crown corporation, of course. The Chair and Vice-Chair welcomed the opportunity for further consultation and they agreed to ensure that our ongoing work that we're doing together will be communicated to their membership so the membership is aware. So we certainly look forward to the good results of this collaborative effort and there is more to come. There's no question about it.

Now perhaps what we can do is to delve into the other issue that the member raised in his question and that's, well why would you embark on this road in the first place? Now we've got to wonder whether the folks on the other side of the House have actually been able to set aside time to read the tourism review in full, which so many of the proposed changes are based on. If they did, they'd have to know that it calls for — and we've repeated this again and again obviously but it bears repeating once more — a single point of entry into government for the tourism industry. That's what the report tells us, and that's what a new Crown corporation will do.

If you've read the report, you have to be aware that it challenges our government to take more of a leadership role in supporting the tourism industry, which is precisely what other provinces are doing. A new Crown corporation will do that too, Mr. Chair. And if you've read the report, you've got to know that every other province already has brought in the supported . . . [inaudible] . . . to its own provincial tourism industry into government by one of two ways, either an agency of the Crown or a Crown corporation. And that's exactly what the formation of the new Crown corporation is all about.

So what we would suggest is, please take some time to read the report in full, thoroughly understand it, and come back and we'll have an informed debate. We'd welcome that opportunity. That's the opportunity that we're providing. We certainly hope that the folks in opposition take full advantage of it, Mr. Chair.

Mr. Vermette: — Well that's interesting because I would like you to table all that information that you said, if you could please, provide the committee with all the comments of people. You're saying you guys went through a whole process and you have a lot of people who told you, or from my understanding, unless you want to make it very clear that that wasn't what your intention was, to lead us that . . . How many of these individuals, organizations, groups, any of the members, Tourism Saskatchewan actually gave you information that said they wanted a Crown corporation, they wanted you to turn Saskatchewan, Tourism Saskatchewan, into a Crown corporation? I would like you to table those documents if you could please do that. You've raised it, so I'll ask you to do that as well.

You know, you talk about the report in itself that it's telling you in there that's where you've got the direction to go. So the report itself told you that. You said you talked to individuals. My understanding, it seems like people wanted you to go in this direction and that's why you're going in that direction. So if you're going in that direction, we'll talk about dollars and you talk about budget, and I think \$11,903,899 is the budget for 2011, I believe is the number that Tourism Saskatchewan will receive or has received. But having said that, can you describe exactly how that Crown is going to operate?

You're taking public dollars and you're now going to take control as a Crown corporation of dollars, public dollars which, you know, Tourism Saskatchewan had before and they were doing an excellent job. Very successful industry. We see what it accomplished. We see the advertising if you look at their budget, their breakdown from their report. So we're going to get more into that, but I think the minister and I think his officials should explain exactly how that Crown is going to

operate. Give us some information how it's going to operate and further to that, there's a current CEO working for Tourism Saskatchewan, and how is that person and that individual, the CEO, going to play a role and the important role that I need you how to explain? I'd like to see you explain that one to me. And then if you can't explain it or if you come up with, I guess, an answer that isn't acceptable, I've got some more that I'd like to ask you to clarification on it. Anyway, I'll leave it at that.

[21:45]

Hon. Mr. Hutchinson: — Thank you once again, Mr. Chair. Well we need to correct an error. The member was mentioning that the budget for Tourism Saskatchewan is 11.903, I think was the figure. It's an honest mistake, Mr. Chair. That's actually the fiscal year-end for Tourism Saskatchewan. What we're actually talking about here is a slightly different figure, and it revolves around the fiscal year-end of the Government of Saskatchewan. Of course that would all be eliminated if it becomes a tourism Crown, wouldn't it? We would solve that problem, so there would henceforth be no more misinterpretation. That number is actually \$12.181 million. That's what's in our budget. That's what's going to the operations of Tourism Saskatchewan in the coming fiscal year.

Now with respect to the member's next question — consultation. You know, probably the best thing we can do other than just simply read out a list of all the folks who were contacted as we just have, is to refer the member to the Tourism, Parks, Culture and Sport website where all of the consultations are up there. It's just a matter of going to the website and checking it. And they've been up there for quite a long time, Mr. Chair.

Anybody at all can log on to the TPCS [Tourism, Parks, Culture and Sport], tpcs.gov.sk.ca. Now if you were to just go on to that website, anybody can access a whole lot of interesting information, and part of that is going to be the history of consultation and the results. They're all there for everybody to see, plain as day. That's probably the best I can offer in terms of making the results of the consultation available.

Now to the member's third question and, in particular, the whys. One of the things that the report suggested was a single point of entry. We keep coming back to that. It might sound repetitive, but that's what they said, and that's one of the things that we take as our guides. We want to make sure, they said, that there's just one portal of entry for the industry into government. Well that's what a Crown corporation will do, no question about that.

They also said, you need a 20-year strategy. Well a 20-year strategy for our government, for the province of Saskatchewan, includes an enhanced focus and more attention, more resources allocated to economic development than has ever taken place in the past. You know, if you could take everything that we're trying to do as a government in terms of spending, it's probably reducible to the following sentence: identifying and removing obstacles to growth. We have a growth agenda. It includes growing our economy. It includes growing our population. That's what this government is all about. It's about other things too. It's about sustainable spending, enhanced services, and more quality of life for the residents of Saskatchewan. But in

terms of budget, that's what it's about — growing the economy and growing the population.

What is clear from us is if you are going to accept the challenge offered by the report to step up to the plate, as it were, and take a more responsible role, a role with more responsibility, a more active, vigorous role to support the industry, then the thing you need to do is to keep in mind two things.

First of all, what are your overall goals? Grow the economy. Grow the population. And that means bringing the efforts with respect to growing this industry inside, out of the rain, into the tent. We do this with immigration. We do this through energy. We do this through agriculture. We're trying to grow the province, and we have common marketing tools, imaging, and messaging. It's the same, ministry after ministry after ministry. But not with this individual group because they're not inside yet. If you bring them in, you create that single point of entry that the report talks about, and you provide that consistency of messaging, and we would expect consistently better results. That's one of the goals.

We also have to keep in mind one other priority: what's everybody else doing? What's the best practice, coast to coast to coast? We're not blazing a trail here, Mr. Chair. We're following the good lead of everybody else. What they have found in their experience actually grows their industries and increases employment is to bring it inside either as a complete agency of the Crown or as a ministry.

Now you can see examples of each, and the one that we've decided to select because we think it provides some advantages is the Crown corporation. Why would it be an attractive alternative? Well one of the things that the industry has asked for, and certainly one of the things that the report questions is, have you got a model that's as flexible and nimble as you could? We think the Crown corporation provides an excellent balance here. It's a simple as this.

That industry, that tourism Crown reports to the minister of the day. She or he has the ability to take what is heard and take it right into the cabinet room and come out with a decision within a very, very short time. If I'm the person who is the minister of the day, then I can take the results of whatever we're hearing, and I can bring them in the form of a cabinet decision item into a cabinet room and come out a few minutes later with a decision, the dollars, and the mandate to get going. It just doesn't get any more nimble or more flexible than that, Mr. Chair. That's the power that a Crown corporation offers.

Now there's lots more that we could talk about. We could talk about the need to focus more on events. We talked about that. One of the members from Saskatoon was saying, well I hope you don't forget the smaller festivals and events. Of course not. We think that there's a more active and successful role awaiting the tourism Crown to support all festivals, all events. We just think we'd have a more successful industry if more attention — not less — more attention were paid to events and festivals of all sizes in all communities. That will be one of the mandates for the new Crown corporation and the 20-year strategy that's based on best practices and a growth agenda, growing the economy, growing the population. There's a lot more we could talk about, but that's probably enough for one question, Mr.

Chair.

Mr. Vermette: — Well I guess, Mr. Chair, again thank you for giving me the opportunity again to go to the question. And again I say, I asked you . . . And I mean, yes, a person could look at the report, go to the website, and I appreciate that. But you made it very clear, from my understanding and the committee, that there was individuals in there and organizations, whoever you were talking to, the people in the report. I'm not the one that claimed that. It's your words.

So I'm asking you to table those individuals that said they wanted it to be turned into a Crown corporation. And I wanted to make very clear that was my question to you. You said that. So I'd like that because I've got a lot of, lot of correspondence, phone calls, emails of people who do not support this and said they were never consulted. They were never talked to. So I would like the minister to table those letters, individuals, of people that you referred to. I'd like those tabled to the committee so we can see who they are because I'm getting a lot of concern from people that truly do not believe that this is in the best interests of Tourism Saskatchewan turned into a Crown corporation.

So having said that, talk about control over it. You look at the budget, and it's a little concerning to me. And if you look at Tourism Saskatchewan's and I guess their market and advertising, it's a large amount of money that they use. There are some concerns out there. And of course that government takes control over that. The government of the day will have control of those advertising and marketing as a tool. For what? And people are a little concerned, and I can see why they're concerned about that.

Some, I guess, parties, individuals, governments, would like to spin and would like to use certain colours, logos. It's amazing to see how it happens. And that's what the concern is. There's concern out there. And I can see why there should be concern when you have government wanting to take over something that reaches out in such a way with the dollars that are there. That's very concerning. And I know that has been expressed by a number of individuals, people concerned, wondering why you're going there, looking at different reasons. And they were truly blindsided to the direction you're going in.

Yet you say that you don't understand it. Yet you're getting the same correspondence I'm getting because some of the stuff you were cc'd [carbon copy] that brought the concerns out. Some of the letters that I've received, some of the information was to your department, your ministry, so I'm a little shocked that you're not aware of that. Like I'm surprised actually. Some of the press and the concern that you've been hearing out there, and you play like you have no idea of that. So I'm confused. It's your department. You must be receiving the letters. I've been cc'd some of the correspondence, so I don't know. Maybe I'll provide you with them to make sure you're getting them. But I'm a little concerned about that.

But having said that, I want to go to this. The Finance minister said there will be greater influence by government in terms of ensuring that they coordinate everything that is going on in the province. Could the minister explain on the government's plan to provide greater influence? What exactly does that mean?

[22:00]

Hon. Mr. Hutchinson: — Again, Mr. Chair, we thank the member for his question. What we're meaning is better coordination, better positioning of the industry for growth. Like we mentioned before, it's already a large industry of \$1.7 billion of economic activity each year, 60,000 full and part-time jobs — extremely important.

What the tourism industry is telling us is, we want in. We want the same focus and attention paid to our industry that you pay to all the other industries. That's the gap that we're trying to close here, Mr. Chair. And we know that the Crown corporation is the best vehicle available, coast to coast to coast. It's been tried and proven elsewhere. Again we're not blazing any trail here. We'd love to . . . You know, we lead the nation in so many interesting and important ways. We're not actually leading anybody in this way. We're simply following the path that was blazed by others, copying their model, hoping to copy their successful track record — better coordination, more focus on events than was previously possible.

And again, not just the big signature events like the Junos, important as they are, or the CCMA's, the Canadian Country Music Awards, as important as they are, but smaller things. You know there's a tiny little drama festival that's put on each year in Mortlach, tiny little Mortlach, not too far from your community of Moose Jaw, Mr. Chair. It's a runaway success. I think the first year they started by thinking, gosh, if we could attract a dozen kids, maybe that would be great, and they got something like 20. And then they thought, well if we can get 25, maybe that would be great, and they got 40, something like that. The exact numbers escape me, but it's just one of any number of festivals and events that are happening in small communities. They deserve the attention of this tourism Crown and they'll get it.

Marketing advisory board, we see the establishment of a marketing advisory board so that we can get direct input from operators in the industry around marketing realities and strategies. That's input that we are looking for. That will be one of the continuing and top priorities of this tourism Crown. Northern, outdoor product, as they call it in the industry — it's outfitting; it's fishing and hunting — we see a need for more attention to be paid for those folks. It's so easy, as many members will know, for the North to feel isolated from the South.

When I was the minister looking after First Nations and Métis Relations, we spent a considerable amount of time trying to build bridges to people that actually hadn't seen a whole lot of government folks in the past. Can't remember how many times my predecessor and I chatted, and we realized we would go to a northern community, and somebody would shake your hands and say, thanks a lot for coming. And then you just knew it was coming after a moment's hesitation: you're actually the first government person we've seen. And you would say, what, in the last year or two? Oh no, they would say cheerfully — ever. Really? Ever. That's not good enough.

That's just one example of how isolated folks in the North became over the last decade or so. What we needed to do in that ministry was to close the gap. You know, Mr. Chair, I suspect

that there's some of that sense of isolation in the hearts and minds of the folks that run tourism operations in the North today. And that gap needs to be bridged. It'll be better for them, and it'll certainly be better for the province and our economic development.

Conferences, there are tremendous numbers of dollars generated each and every year. There are two major centres obviously, Saskatoon and Regina. Saskatoon has the advantage of having a very large university. An enormous number of academic conferences are catchable, if you will, or capturable. And what we want Tourism Saskatchewan to do is to assist in whatever way it might be able to, to Saskatoon's efforts to secure as many of those conferences. Business people, professional people, academic people, immigrants, foreign students — there's so much going on here. Regina has a vigorous industry like that as well. And it too could use a little bit of support and coordination. You know, that can be provided by a tourism Crown, and that is going to be a priority. Once again just another of the examples of the better coordination. If you could reduce it all to one word, I suppose, influence. We would replace that and say, no, no, we're not trying to influence things; we're trying to coordinate things for better results.

The flexibility that we talked about, increased flexibility led by a minister who is engaged with that tourism Crown, there will be the kind of nimbleness and the flexibility that's needed to make sure that (a) the needs of the industry are fully understood, (b) they are acted on promptly and successfully. So that's all part of the goal as well.

And the one thing that we have mentioned that we think is a top priority is better alignment of economic development efforts. Bring all of those efforts in the tourism industry together so they are properly aligned with all of the efforts in other industries. And that's listening to tourism. That's honouring tourism. That's positioning tourism better for growth, Mr. Chair.

Mr. Vermette: — Well you know, some of your comments, I won't even go there, northern comments that you made. I mean to be honest with you, I find it a little surprising you'd even use those kind of gestures to explain — you get into the North and they were so isolated when you got there. Like they'd never . . . I actually find it kind of insulting that you would even go that route. I don't know why you're doing that, but anyway that's fine.

But having said this, and I want to go back to the Tourism Saskatchewan. You say it's going to operate, government will operate better, or it hasn't been operating that good so government's going to take over because government can operate better than Tourism Saskatchewan. That's exactly what I'm hearing you're saying. You think a Crown corporation can do better than what Saskatchewan tourism has been doing, if it's a Crown corporation. Your own words: you can do a better job. They need help, and you're going to take over. And that's what I've heard you say. So could you please clear that up for me? Because that's exactly what my understanding of it is.

Hon. Mr. Hutchinson: — Thank you once again, Mr. Chair. We certainly respect the member's interest in the issue. Now we talked about better coordination, and I'll try to phrase it slightly

differently. It's going to be the same message, but we'll use different words and maybe that will help.

Better coordination, better alignment. We want to make sure that the industry itself is aware of all the best practices of economic development as they're being practised in all of our ministries. And that kind of coordination will happen best when they're sitting at the table, when the president of a Crown corporation can sit with the same stature and look eyeball to eyeball into all the ministers of the Crown that are also involved with industries and economic development and craft these strategies at the table, not simply be the recipient of somebody else's work, but to participate on a minute-by-minute, day-to-day, and month-by-month basis and contribute.

That's what I'm talking about. It's about honouring the industry. It's about thanking Tourism Saskatchewan for the good work that they've done. And they've done plenty of it, we certainly acknowledge that, and we thank them sincerely for their good efforts. But it's about building on those efforts and providing a model that will help the industry get to the next level of performance. And here again, this is not news. This is not some wild idea that hasn't been tested anywhere else in the country. Everybody is already doing it. The only people that aren't doing it are us.

And having had a chance to look at the tourism study and been challenged to step up to the plate to take a more responsible, more hands-on role, that prompts you to look at what are the best practices around the country. We've selected the model. That's our responsibility, Mr. Chair. This government's responsibility is to look at the results of that consultation and to craft a solution. We've done that, and now it's our responsibility to work with the stakeholders to ensure that the transition is as smooth as possible, that important services and programs are not interrupted, that the budget remains intact, and so that all the things that are being provided for members continue, but that those same things will now be provided to everybody in the industry, even the folks that aren't currently members of this association. And also, as is specifically identified in the report, to untie the hands of Tourism Saskatchewan.

Mr. Speaker, here is a crazy anomaly. You're an organization that represents an industry and you want to advocate to government for improvements, for new programs, whatever that might be, and sometimes there are going to be some significant disagreements. That's life. That's all a part of the to and fro of life. It's to be expected. It's to be welcomed. It's to be honoured and acknowledged and participated in. How do you do that when that government provides almost all of your core funding? What do they get from memberships? Well I use \$50,000 as a round number, but it's actually significantly less than that. Let's just go with \$50,000. What do they get from the Government of Saskatchewan? Well here it is. It's about \$12 million.

Mr. Speaker, there isn't another tourism agency in the country that has to go to the government each day and advocate as vigorously as it can on behalf of the membership with both hands tied behind the back in that way. And what the report says is, you know, you might want to think about it. It's been delicate. It's trying to be diplomatic, but that's what they're telling us. Mr. Speaker, it's time that we untie the hands of

Tourism Saskatchewan. And if they want to have an industry-led, industry-funded organization that is specifically intended to advocate as vigorously as possible on behalf of the industry, that would be a welcome development too. We talked about that with the Chair and the Vice-Chair and others.

You know, we used to have a great organization called TISASK [Tourism Industry Association of Saskatchewan]. Who paid for it? Well the industry did. Who was it responsible to? Actually the industry. It's a great model. And that's the model that has arisen in other jurisdictions where, quite intelligently and quite appropriately we think, the government of the day in that province has moved the support of its industry back into government. That's the better model. And every other province says so, Mr. Chair. And we're following their good lead.

Mr. Vermette: — Well you know, it's interesting the minister says, well you want to follow other provinces in Canada that are going the route you're saying, as a Crown corporation, taking over the film tax credit. Most every province in Canada is doing it and supporting it. And you chose, as a minister and your government, to go in the other direction. You swam against the water. So I don't understand it. In that scenario, it's okay to do it. In this scenario, it's not okay. Yet you have an industry that's saying and a report that very clearly stated, arm's-length worked well, just leave it alone. So I mean, it's frustrating now.

But I want to go back, Mr. Minister, to this question. I asked you clearly about the CEO, the current CEO that's working with Tourism Saskatchewan. You're moving to form a Crown corporation. Let's hope you have a change of heart and you guys actually decide to, well maybe we have to do some work on that before you move forward. Maybe at some time, you know, legislation has been brought in here before things happen. But now hopefully for the industry that happens so they have an opportunity to share their views, concerns, their frustrations. Because we're hearing it, and I've said that already.

But it's about dollars, and you talk about that. So I'm going to ask this: if the current CEO isn't retained if you turn into a Crown corporation, what is the plan of the current CEO? And if for some reason, you should choose to have this person no longer be in services of a Crown corporation, as a CEO of Tourism Saskatchewan or the Crown, what will be the compensation, and what's going to happen?

And it's people's dollars that are laying here. And we talk about dollars and budgets, and there are some dollars we're talking about. What will happen there? I'm really concerned about that, and I think people are concerned about that. There's always, when you lose someone, there's always costs. So I'm going to ask you again: what is the plan? And do you have a plan? And what would be the cost to the people of the province should you guys not retain the CEO of Tourism Saskatchewan?

[22:15]

Hon. Mr. Hutchinson: — Again, thank you. Mr. Chair, we welcome the member's question. First to revisit the item about the film employment tax credit. And if it makes sense to create a Crown corporation for tourism, and we are following the lead of other provinces, other jurisdictions in Canada, why wouldn't

we do it with respect to the film employment tax credit?

Mr. Chair, the situations are entirely different. There's a proven track record of success with respect to Crown corporations supporting tourism in individual jurisdictions. We're happy to follow that lead. What's happening in other jurisdictions with respect to the film industry, and the film employment tax credit in particular, is exactly the opposite. I mean this is a great question, I'm glad that the member asked it.

We are not following their lead in getting into a bidding war. And we are actually not following their lead in deficit budgeting, and we are not following their lead in adding to their provincial debts. We're not doing those things. And if you say to yourself, one of our overarching goals in this budget needs to be to fulfill the promise we made in the November 2007 election to the people of Saskatchewan that we will tender a balanced budget, then you're not going to be going down the road of deficit financing and adding to the provincial debt. Mr. Speaker, that's the reason why we're not going down that road with respect to film employment tax credit. That's the reason that in that instance, we can't follow the lead. It's not a lead to success, Mr. Chair. We don't think so.

We're convinced, however, that following the lead of other jurisdictions with respect to the establishment of a Crown for tourism is a good idea, and that's why we're going there. We need to make the distinction. Sometimes following is a good thing. Sometimes following is not. You have to apply yourself, use critical thinking, look at the facts, and make an informed choice. And that's what we've done on behalf of the people of Saskatchewan.

Now to the other part of the member's question. First of all we want to once again thank Tourism Saskatchewan. This is a good organization that's done excellent work to support the industry as far as its current mandate and structure can allow it to do so. Again we're simply assisting them in reaching the next level of performance. With respect to the board and CEO, we have a board and CEO in place. And for the time being, they will continue to steer the course of the organization. Looking further into the future isn't possible for us at this point in time. That's asking hypothetical questions, and we don't have answers for hypothetical questions, Mr. Chair.

Ms. Sproule: — Thank you, Mr. Chair. Just one comment, I guess, or quick question about the way small festivals and events are being supported by the government. I've been involved in the production of small festivals and events for over 20 years now, and typically that's been done through the cultural sector. And certainly you're aware of the programs with SaskCulture and the way funding has been operated over the years. Saskatchewan Cultural Exchange Society was responsible for festivals and events, and then more recently that was moved over to the Saskatchewan Arts Board.

So that's where the services and the support from this government are for small festivals and events. And that has been very successful, and I'm not aware of any demand on the part of SaskCulture or festivals and events for a need to have the tourism industry and the Sask Tourism turned into a Crown corporation, that that would in any way enhance the work that small festivals and events are doing. In fact I think there's been

no indication or request on behalf of the organizations that I'm familiar with.

Now I haven't been on festivals and events for a couple of years, so I haven't really seen the latest direction from that committee. In fact the committee was never really re-established once the Arts Board took it over. But in my experience over 20 years with small festivals and cultural events, there's never been any need. Indeed it was the tourism industry that would come to cultural events and try and partner with them because they saw the tourism advantages that these events were generating.

So just perhaps a little clarification on your understanding of how the festivals and events committee that used to exist, that's now been taken over by the Arts Board, is asking for tourism and the tourism industry to have more government control over the funding and the good work that SaskCulture has done in that area over the years and now the Sask Arts Board is doing.

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. As always we welcome the member's question. Now she did mention that in her experience, especially with respect to the organizations that she's familiar with, they weren't aware that there was any need for anybody with perhaps a tourism background to step in and provide assistance. What good would that do? They don't see the opportunity.

Well the tourism review does. The tourism review says, you folks need an event strategy. You need more assistance. You need more expertise. You need to be able to assist these people in growing and marketing their events. The fact that they themselves may not be fully aware of this opportunity perhaps just speaks to the value of the report and the efficacy of the advice that's offered within that report.

There are a lot of organizations that fund events and festivals. Certainly SaskCulture does, as the member mentioned, but so does Sask Sport and CIF and SAASE — that's the Saskatchewan Association of Agricultural Societies and Exhibitions. Everybody is doing this because there's economic development. There's job creation. And as I mentioned before, there is pride that's built, community pride, astonishing amounts of community pride.

[22:30]

Now we have organizations like this that are doing a really good job. People all over the place bring passion and enthusiasm and energy and some vision to their events, and they want to see them established. But what we expect the tourism Crown to be able to help them do, those that are capable, ready, willing, and able we might say — to use the old realtors' terms — to get to the next level, and that means a better understanding of how these events are actually grown and certainly marketed. Now that's exactly what the tourism Crown can do.

So we have a large group of organizations which in turn are helping a much larger group of communities and organizations, smaller organizations, with the broadest array of events possible, all the way from the little drama festival we were talking about in Mortlach to the Swift Current kite festival to

the jazz festival, the SaskTel Jazz Festival, and all those sorts of things in Saskatoon — major festivals. And we see great potential.

I'll give you three examples of where intervention by tourism folks in our ministry has already helped considerably. Back to Batoche is a wonderful festival. It is an extraordinary statement of faith in culture. It represents the Métis community in our province, their challenges, their successes. It celebrates their culture. It celebrates their history in a way that no other event does. It's a marvellous event. There was potential for it to grow. There was potential for better marketing to make it more successful and thus more viable.

As the Premier says, you know, we're all about growth here. It's not growth for growth's sake. No, that's just not the right thing to think about. It's not an end, but it's a means to an end. It enhances our economy, grows our population, contributes to quality of life, and in this kind of case, certainly pride in our great province of Saskatchewan.

So we provided that extra bit of assistance to Back to Batoche, and it's now a more successful, larger, more viable organization. We've helped it find its feet and its place in the events of our province. And it's a better event today certainly because of two things: their incredible efforts and their passion, their enthusiasm, their energy, their vision, but also a little bit of timely help from the Government of Saskatchewan through the events group within TPCS.

We would expect the Crown corporation to pull together all of those disparate efforts around and create an overall strategy. Why is an overall strategy necessary? Who says that's a good idea? Well, Mr. Speaker, the review says that's a good idea. You want to get yourself one of those. You want to sit down and have an events strategy. I'll bet you if you asked the authors of the report, they would say, of course that includes the signature events like the Junos, and on the sports side, the Briers and Grey Cups and all those sorts of things. But it also includes the smaller festivals. They would warmly welcome this vision, I'm sure. This comes right out of their good advice.

The Martensville stock car race is something that needed a little bit of help to become established and to become more viable. I think that was a success story too. Swift Current's kite festival — we mentioned it briefly — we helped them get off the ground. And now it's become not just a local festival. Mr. Chair, it's a regional festival attracting people from Moose Jaw, from Lethbridge, from Medicine Hat. And it's growing each year from the facts that are being presented to me.

So these are just three examples of the kinds of festivals and the sorts of activities that we would imagine the new tourism Crown to become involved with, not to control. Gee whiz, I wish the folks on the other side would get off of that word. I mean, maybe they're comfortable with it. I'm not. It's not about control. It's about coordination. It's about assistance. It's about being there with the right help at the right time in the right way to make sure that people have the best chance possible to create and sustain successful events and festivals. That's really what it's all about. Who says it's a good idea? Mr. Chair, I'll wrap up by repeating that, once again, the tourism report says so. We're following their good advice.

The Chair: — Thank you, Mr. Minister. Seeing that it is now past the hour of 10:30, we will adjourn this session now. Ms. Sproule, you had a comment?

Ms. Sproule: — Thank you. First of all we want to thank all the officials for coming for such a late and long period of time for this committee work. So thank you very much for your patience and your understanding and your good advice.

Just one reminder, Mr. Chair, that there was a request from a member for confirmation of the comments from the consultation process, who indicated a desire to create a Crown corporation, and we'd like a commitment that those comments will be provided. And that's it for tonight.

The Chair: — Thank you again to the committee. And thank you to the minister and his officials. This committee will now adjourn until Thursday at 1 p.m.

[The committee adjourned at 22:35.]