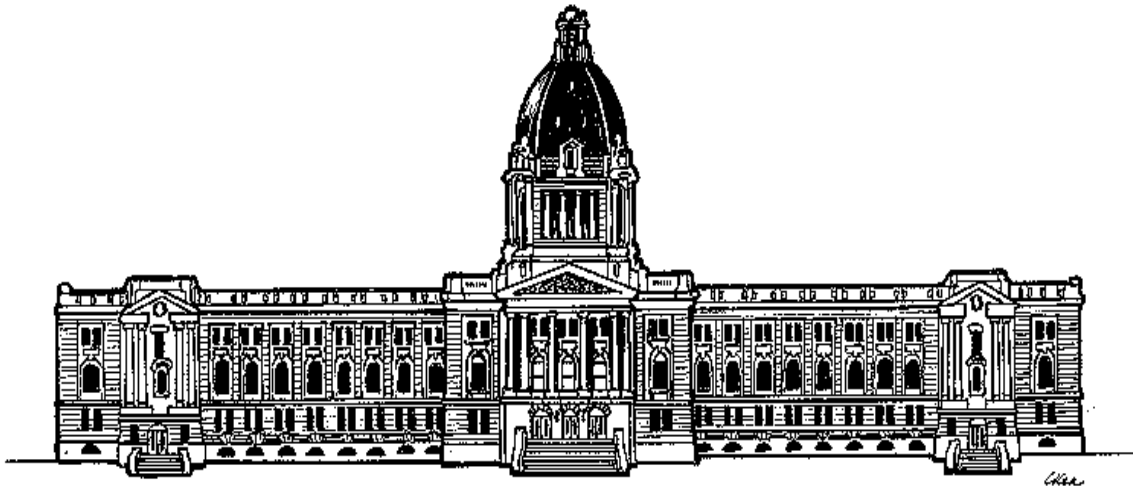




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND JUSTICE**

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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 14:45.]

The Chair: — Good afternoon, ladies and gentlemen. Welcome to the Standing Committee on Intergovernmental Affairs and Justice. My name is Warren Michelson. I am the Chair of this committee. Along with the other members of this committee include Cathy Sproule as the Deputy Chair, Kevin Phillips, Warren Steinley, Lyle Stewart, Christine Tell, and Corey Tochor.

This afternoon the committee will consider Bills No. 19, Bill No. 20, No. 41, and later this evening No. 37, the tourism Act. We will start this afternoon with Bill No. 19, *The Assessment Appraisers Amendment Act, 2011*.

Before I get there, we do have a substitute for Cathy Sproule is Mr. David Forbes. Welcome to the committee members.

Bill No. 19 — *The Assessment Appraisers Amendment Act, 2011*

Clause 1

The Chair: — We will start with consideration of Bill No. 19, *The Assessment Appraisers Amendment Act, 2011*. We will start with Clause 1, the short title. Mr. Minister, welcome to you and your officials. If you have any opening remarks, please proceed.

Hon. Mr. Hickie: — Thank you, Mr. Chair. I guess a question just for clarity. We're going to do three Bills today. Would you like me to do all three Bills in my introduction speaking to them, or should I do one at a time? . . . [inaudible interjection] . . . One at a time. You're okay with that, Dave? Okay.

Well before we begin then, I guess we'll introduce some of the dignitaries with me — the guests I've got and officials. I've got of course my deputy minister, Van Isman to my right; John Edwards to my immediate left, executive director of policy development branch. I've got Rod Nasewich, director of policy and legislation next to John. We'll have Norman Magnin will show up — he's the director of property assessment and taxation — later on. In the back, I've got Ralph Leibel, executive director of community planning and Martino Verhaeghe, manager of province interest. I think I got that out right. All right, there we go. Along with us today as well is my chief of staff, Angela Currie, and Graham Stewart from my office as well, ministerial assistant.

So we have three pieces of legislation today. Bill 19, *The Assessment Appraisers Amendment Act* amends *The Assessment Appraisers Act* and includes consequential amendments to *The Assessment Management Agency Act* and *The Agrologist Act* of 1994. Together these statutes provide the legislative framework for the regulated occupation of assessment appraisers who value property for municipal property tax purposes.

The amendments in the Bill are from three main sources: requests from the Saskatchewan Assessment Appraisers' Association, direction from Justice to update the current standards for professional legislation changes to ensure the legislation supports labour mobility, and commitments under the New West Partnership.

The ministry has carried out extensive consultations with stakeholders on these changes since 2009. These include SARM [Saskatchewan Association of Rural Municipalities], SUMA [Saskatchewan Urban Municipalities Association], Saskatchewan Assessment Appraisers' Association, Saskatchewan Institute of Agrologists, SAMA [Saskatchewan Assessment Management Agency], city assessment authorities, and private assessment appraiser firms.

The following ministries were also consulted: Justice; Agriculture; Advanced Education, Employment and Immigration; Intergovernmental Affairs. And we also talked to the provinces of Alberta and British Columbia.

Mr. Chair, this Bill continues government's practice to consult with regulated professions to refine and update legislation, ensuring it meets the needs of the profession, the association, and the public. And we are prepared to start, take questions.

The Chair: — Thank you, Mr. Minister, and I would just remind the officials, if you're answering questions, would you please, in the original question, state your name for Hansard. Thank you again and welcome. We will now entertain questions. Are there any questions?

The Chair recognize Mr. Forbes.

Mr. Forbes: — Thank you. It seems like a relatively straightforward issue. And as you were saying, this is to align it with the New West Agreement. What were the things that were out of sync with that agreement? So then essentially what we're trying to do is get it in sync with Alberta and BC [British Columbia].

Mr. Edwards: — John Edwards with Municipal Affairs. There were a couple of provisions in the Bill that deal with the labour mobility provisions in the New West Partnership Agreement and also the agreement on internal trade. Essentially what we're doing is removing provisions that tie practice of assessment to a membership or employment or the requirement that's also being amended in the Bill in *The Agrologists Act*.

Mr. Forbes: — Okay. Are there any costs to the government because of this new legislation? You'll be, now your ministry administers this? And so there'll be no . . . it'll just be interpreting new regulations, a new piece of legislation.

Mr. Edwards: — The one piece of follow-up to the amendments to the Act is some amendments to the regulations under *The Assessment Appraisers Act*. The regulations basically set out what is required in the way of education and experience for someone to be certified as an assessment appraiser, either for urban or rural property valuations.

The approach that we're taking to the regulations is to refine the requirements, particularly for rural agricultural land assessment, so that they reflect the type of education and background that's necessary, rather than someone being a member or being employed in Saskatchewan or being a member of the Institute of Agrologists. The regulations will set out what the requirements are for someone in terms of previous education.

Mr. Forbes: — Will we see many more regulations based on this or about the same number, just different ones? Or are we starting to see an increased number of regulations because of this piece of legislation?

Mr. Edwards: — No, there's no increase in the number of regulations, simply the amendments to the assessment appraiser's regulations. It's amendments that we're working on currently with the association, with the agrologists, and with SAMA.

Mr. Forbes: — I think generally we don't have a lot of difficulty. I just want to make sure that I do the last minute . . . so I do ask this. Time for me to do a quick scan of this, because I know we've probably given speeches in the House on this.

Now during your consultations, you did list several groups you did consult with. Was there any negative feedback that you got or was it just generally, this is something that we have to do?

Mr. Edwards: — Initially there was some concern from the agrologists about the amendment to their Act. We've had a number of meetings with them, including their provincial council, and I think they're comfortable with what we're doing. *The Agrologists Act* currently includes a provision that specifies that assessment of agricultural land was within their scope of practice. That won't change. The amendment at the end of the package will basically add that someone who's qualified under *The Assessment Appraisers Act* regulations can also do appraisals of agricultural land. We're actually using input from the agrologists to specify what the educational requirements will be. So courses in things like soil science would be a requirement.

Mr. Forbes: — How long did it take for you to develop these amendments? Sounds like it's been a process in the works for a while.

Mr. Edwards: — The work has gone on over a couple of years. But you have to keep in mind that working with professional associations is a fairly slow process in the sense that they like to go back and check with their membership. So they'll take the package and proposals and go back and talk to them, and then you'll hear feedback. And there's some back and forth.

Mr. Forbes: — No, I think that that's an appropriate length of time. It's when it takes much shorter and then you go, have we really covered all the bases?

I don't know whether my colleague has any questions on Bill 19. I'll pass this over to you so that you can . . . if you do have any. But I think that it seems relatively straightforward. As you say, it's the alignment with Alberta and BC.

Ms. Sproule: — I have one question I do have.

The Chair: — The Chair recognizes Ms. Sproule.

Ms. Sproule: — Thank you, Mr. Chair. I just have a question about assessment appraisers and some of the work they do in relation to agriculture. And this is, are there records kept of land sales? Does the assessment appraisal agency keep track of land sales in Saskatchewan?

Mr. Edwards: — Land sales data used by SAMA comes from ISC [Information Services Corporation of Saskatchewan] actually. So it's the changes in title information that ISC has, and basically it's provided to SAMA.

Ms. Sproule: — Thank you. That's my only question.

Mr. Forbes: — That's all we have.

The Chair: — Thank you, Mr. Forbes. Are there any other comments or questions regarding Bill 19? Seeing none, we will now vote on consideration of Bill No. 19, *The Assessment Appraisers Amendment Act, 2011*. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 22 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and the consent of the Legislative Assembly of Saskatchewan, enacts the following: Bill No. 19, *The Assessment Appraisers Amendment Act, 2011*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

I would ask a member to move that we report Bill No. 19, *The Assessment Appraisers Amendment Act, 2011* without amendment. Ms. Tell. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you, committee members. Mr. Minister, are you prepared to continue on with Bill No. 20 at this time?

Hon. Mr. Hickie: — Yes, sir, I am.

The Chair: — Thank you. Please proceed.

Bill No. 20 — *The Planning and Development Amendment Act, 2011*

Clause 1

Hon. Mr. Hickie: — Okay, Mr. Chair. Mr. Chair, Bill 20 amends *The Planning and Development Act 2007* which provides a legal framework for community planning and municipal land use in Saskatchewan. The PDA also provides framework for municipalities to voluntarily form planning districts to work together and plan development of mutual interest. This Bill will improve the opportunities for intermunicipal co-operation, dispute resolution, and servicing the needs of the communities and regions.

Consultations on these changes were carried out since 2009. Stakeholders consulted with include, but are not limited to

SARM, SUMA, city mayors' caucus, SMB — that's the Saskatchewan Municipal Board — Canadian Home Builders' Association, Dundee Developments, Regina & Region Home Builders', and various cities and rural municipalities.

During consultations, municipalities and developers were encouraged to jointly discuss issues around planning and development and reach conclusions that are appropriate for the local circumstances.

In closing, I am confident that the amendments maintain local autonomy, increase flexibility to address development concerns, enhance intermunicipal opportunities for co-operation, and most importantly keep the Saskatchewan advantage.

I'd also like to thank all the individuals and organizations who took the time to provide input, advice, and feedback in the development of this legislation. We will continue to work with these stakeholders to improve the planning framework supporting Saskatchewan's continued growth and development.

At the table now we have Ralph Leibel and Martino. So they can answer the questions now, and we're prepared to answer questions.

The Chair: — Thank you, Minister Hickie. Are there any questions regarding this Bill? The Chair recognizes Mr. Forbes.

Mr. Forbes: — This is quite, in many ways, a technical document. We've had some questions like even during estimates on it, and it was an interesting one. Now you talked about the stakeholders, but did I hear . . . or were the First Nations and Métis communities consulted? What was their feedback about this?

Mr. Leibel: — Yes, good afternoon. My name is Ralph Leibel. And in 2009 we did send a circular out to all the First Nations in Saskatchewan seeking their input. Very limited was received. I think a couple of people might have showed up for one of the meetings, but they showed no major concern or interest. Some of them indicated they were pleased that First Nations would be able to participate in planning districts, in that relationship and building the communities.

[15:00]

Mr. Forbes: — Well I just want to back up because, you know, I'm curious. How long was this development of this legislation? Did it take one or two years for Bill No. 20 to develop?

Mr. Leibel: — We initiated it in the spring of 2009, seeking input from all the stakeholders. There's over 50 stakeholder groups that we contacted — many of them were the same groups that we used in 2005-06 in the development of *The Planning and Development Act* — and requested they participate, including the primary stakeholder groups that we used back then as well.

Mr. Forbes: — What was the main driving force again? You may have said this in the introductory remark, but I just want to make sure I understand. What was the driving force behind this legislation?

Hon. Mr. Hickie: — Thank you, Mr. Chair. Well I'll let Ralph follow up my comments, but what we're seeing in the province is the issue of these municipalities who really are looking at their growth initiatives and their plans and working with developers and working with the neighbouring RMs [rural municipality] and councils to ensure that they can actually plan for growth properly.

The experience that was felt in Saskatchewan was that everyone worked in silos. And they started looking at the opportunities of economy of scale, working and planning for the growth initiatives. And really it provides mechanisms — like there's a lot of technicalities within the Act; mediation and dispute resolution's one big thing as well — to try to solve those issues.

And there were some . . . There is a WaterWolf, a particular planning district, right now that really wants to be really aggressive in working together as a group, and it's a very large group of municipalities together. The biggest thing's that when you start having those large groups, you have to have the supporting Act. As they came across hurdles, they wanted to change the legislation to help them get through their process.

And we're seeing much more on the issue of again economies of scale. Things are very expensive in infrastructure, and we're trying to get this regional planning to work together. We're not going to amalgamate. We're not going to force amalgamation in any way, shape, or form. And right now we're finding that these municipalities want to work together to plan for their growth issues.

So that's my spiel, but I'll give Ralph time to maybe drill down a little deeper as to why some of these particular parts of the Act have been looked at.

Mr. Leibel: — Yes, that's the major driver was there were some challenges with some planning districts and their relationships. So the question of dispute resolution: how do we resolve the challenges between the communities? And a lot of the old planning districts that are in existence in their agreements have no dispute resolution mechanism.

So it was critical to pull that in. And for the WaterWolf group, they needed more flexible tools in dealing with such a group of municipalities and how they adopted their district plan versus their local plans. And another key one was the relationship in the urban-rural relationship of major cities and how to, kind of, cost share resource . . . the infrastructure that might be happening in the rural area but it needs to be provided by the city. And so we needed to find some balance for them, a solution for them to have that relationship.

Mr. Forbes: — I'm curious about the dispute mechanism resolution. What part of the Act speaks to that in terms of . . . There are certain parts that people will be directed towards.

Mr. Leibel: — I believe it is section 106.1.

Mr. Forbes: — There you go. My assistant, colleague helped me out right away. That's very good. That's excellent. And so is this based on past practice that you're bringing into legislation? Has it been tested and it seems to be the way it works well in Saskatchewan?

Mr. Leibel: — Yes. This dispute resolution is a similar method that's used in *The Cities Act* and *The Municipalities Act*. It's also used, for example, would be for an annexation process.

Mr. Forbes: — All right. So what is the process? I'm not . . .

Mr. Leibel: — In short the process would be is if a municipality chose to withdraw from a planning district — that was the critical one — that instead of just automatically dissolving them or terminating their relationship, if they hadn't done some dispute resolution mechanisms it creates an opportunity for the minister to send it, the request to the Saskatchewan Municipal Board who would then review it, render a decision, and that decision would be binding.

Mr. Forbes: — So there is a bit of hope that maybe they can stay in the tent and just to work out some of those issues as opposed to . . . Yes. Okay. Now how many — you talk about there seems to be a great interest in regional planning — how many regional planning groups are there right now?

Mr. Leibel: — There are, I believe, 19 planning districts. It might've just changed to the 18 here just recently. The planning districts that are out there currently in place . . . There are a number of other organizations and groups that have recently gotten together — I think maybe six or eight of them — that are looking at forming planning districts.

Mr. Forbes: — I don't know if you want to skate over by this one, but I mean this is always that issue about municipalities amalgamating. But is this a good way for these folks to get the work done?

Hon. Mr. Hickie: — Thank you, Mr. Chair. You know what, you hit the nail on the head. It's not that we're having any kind of hammer or carrot-stick approach here. The idea is that we're encourages regional planning, and they are finding that by working together in co-operation. If you think about it, they still have their autonomy within their councils, but they do work as a functional group and they plan for that growth.

So two municipalities or more may want to use some of the expertise, pool their dollars to look at hiring a consultant and other means and shapes and forms as well to, again, economy of scale on projects that come up. But local autonomy is still there. And we're encouraging that because we heard very clearly that they like to have their say as to other things that are critical to their particular local governance.

But in issues of regional planning, we're actively encouraging that. And of course sometimes it just takes nothing more than a simple mediation when Ralph and his shop gets involved and explains what we're looking at. That's the important factor here. If they want to amalgamate and they do it voluntarily, we'll look at that as well too.

And sometimes there could be, sometimes that we're seeing, we're hearing anecdotally, that we do have some RMs in the province that over time we may see a lack of participation in local councils. People will step aside. Others don't want to run. So maybe that's an opportunity for them to look at that. Again this is all about local governance versus maybe what this Act is going to be doing. But what's happening is that they're starting

to see that by working together they can get a lot more accomplished than by working in silos away from each other.

Mr. Forbes: — Now getting back to the WaterWolf. You say it's quite a large one. How many municipalities or groups will be making up that?

Hon. Mr. Hickie: — Thank you, Mr. Chair. It's 36 plus one First Nation.

Mr. Forbes: — 36 RMs.

Hon. Mr. Hickie: — Towns and villages.

Mr. Forbes: — Towns and villages.

Hon. Mr. Hickie: — And RMs.

Mr. Forbes: — And RMs. Okay. And one First Nation. That's very good. Yes. And so what is their . . . Is it just about economic development, or what is their mandate for WaterWolf?

Hon. Mr. Hickie: — Thank you, Mr. Chair. It's about, you know, really developing plans for their area and working with Lake Diefenbaker area and that region. And planning their communities out with that is a major, primary focus. Land use management's a big one for that.

Mr. Forbes: — There's a couple I'm familiar with. The other one is the Great Sand Hills. And I'm just curious how they view this, or is this . . . I know that's more of an environmental thing, but it was a big area, particularly for . . . This ministry had a big role in that actually.

Hon. Mr. Hickie: — Thank you, Mr. Chair. The Great Sand Hills had no comment on the consultation process.

Mr. Forbes: — That's interesting because they are such an active group. I would have thought they would have. Not negative or positive, I just thought that they would have something to say.

Hon. Mr. Hickie: — I guess that's a good point. I mean, I think that they were invited to provide comment. They didn't. I guess, you know, it all depends how you want to look at it. Maybe they were happy with what they're seeing, or maybe they just didn't have any comment either way so they stayed out of it, I guess.

A Member: — It's not highly contentious.

Hon. Mr. Hickie: — It's not highly contentious is what my deputy says. Really it wasn't. It wouldn't be applicable to them.

Mr. Forbes: — Now do you . . . Would they fit into this kind of thing, the Great Sand Hills? I'm not sure if it's called planning commission any more or what their official title is out there.

Hon. Mr. Hickie: — They're a planning commission, yes. So they actually have their own functional group there, yes.

Mr. Forbes: — Well very interesting. And the other one is the

Redberry biosphere. Are they part of this? Have they talked to you folks about planning areas?

Hon. Mr. Hickie: — Thank you, Mr. Chair. Well under the planning for growth initiative that was funded by this government through Enterprise and MA [Municipal Affairs], that particular group has approached us. They received funding to look at developing a planning district, and it's ongoing right now as we speak.

Mr. Forbes: — I think that in many ways it seems to fit this in terms of the economic, the environmental, and the social aspect of it. And I think while they have a different title, biospheres, but essentially this could be what it's called here. And I know the other one that would be a very good area is around Cumberland where they look at those three areas as well. But that's something for them to follow up with.

So that's very good. But the whole question, you know, when I talk to some people about it, of course the whole issue is how do you get the policy to be more. I mean it's one thing to have a piece of legislation like this — and it's the appropriate thing — but it's always a challenge for the government to figure out, how far do you put this? Will this be something that you'll be profiling? Or when people come in and ask, how do we plan, you'll say, have you thought about this and joining another group. Or is it . . . I mean it's a tool in a toolkit, but it seems to be a very good tool.

Hon. Mr. Hickie: — I'll have the deputy actually answer that one with the level there you're asking about.

Mr. Isman: — Thank you very much. That's an excellent question. We see this on a number of fronts. Sometimes it's capacity, that smaller municipalities that may not have a lot of professional staff, that they band together and they can work collaboratively. It's about doing joint-use land plans on a broader basis so that things logically should go in certain areas.

But it goes beyond that, often, and one of the things that we've encountered in terms of working with a lot of municipalities and assisting them with infrastructure development — in particular drinking water and waste water projects — often they're quite small. And so often where there's a logical way of having a compendium of municipalities come together to tackle some of these larger infrastructure issues, they can do it collaboratively.

And this is just an excellent, excellent mechanism to get them working together to address some of those larger issues.

Mr. Forbes: — Now it reminds me . . . Now this is basically a tool for the southern part of the province with municipalities, the cities, and maybe for the villages in the North. But because there are no . . . Environment, I assume, does a lot of the planning of the land use planning. Is that the case now?

Mr. Leibel: — In the North there, Environment is the Crown owner of the land of course for the majority of the area. But there are key locations, and an example would be the La Ronge corridor. There's a planning district there that was established a while back to provide and facilitate intermunicipal co-operation between the communities in that area including First Nations.

Mr. Forbes: — When was that established?

Mr. Leibel: — I am sorry. I can't recall at this time.

Mr. Forbes: — More or less than five years ago? I'm just trying to think of . . . I know there was a water project that Air Ronge and La Ronge and the First Nations were working on at that time.

Mr. Leibel: — I'm sorry. I don't have the time at this point.

Mr. Forbes: — Okay. A couple of other . . . So you've obviously gone out and consulted with this, and the stakeholders like the package and they think that's the case. Were there any negative feedback about this, about this legislation?

Mr. Leibel: — With regards to a couple of the interests that we . . . we're working with the groups on the . . . stakeholders. There's a number of items that they had an interest in that we had to make adjustments to, and not necessarily address it in its entirety, but a component of it. And one would be, for an example, architectural control.

Mr. Forbes: — We now can control the colour in Saskatchewan?

[15:15]

Mr. Leibel: — Yes. And what happened was, there was a request to be able to have architectural controls by way of a discretionary use. At their discretion, they can decide the colour and the texture of the structure going up. And the legislation currently has in place an architectural control district in which you design those types of components. And as a result, what was indicated and worked out was that in those areas, that's the tool to use so you're applying it to the entire neighbourhood, not just individually, because it wouldn't be fair that a new person building a house in infill has to meet these controls and the person next door doesn't. So it would have to be on a neighbourhood approach to keep it equitable.

Mr. Forbes: — So you have now changed the — I'm trying to get a handle around the language here — official community plan and district plans. Are you taking out the official community plan . . . No.

Mr. Leibel: — For the planning districts, in order to address the issues of WaterWolf, how the current legislation reads is that you would have a district plan that both or all the municipalities would adopt complementary and they'd have their own individual zoning bylaws. And so if any individual municipality would need to, say, change a designation of an area from agriculture to feature country residential or cottage lot, it would mean all those 35 municipalities would have to make the same amendment. So how we worked out this flexibility was to provide the existing mechanism that that can continue for those smaller groups of municipalities that are in planning districts. And for a larger one like this, you could have a district plan that's the growth management strategy, then each could have their own individual official community plan and then their zoning bylaw.

So there's kind of three, two policies: the overall district, then there's the individual municipal official community plan, and then the zoning bylaw. And for those smaller municipalities that felt they couldn't afford to do their own official plan, if the district plan meets all those same criteria as an official community plan, they could use that as their own, and so it creates a flexibility depending on the capacity of the municipality.

Mr. Forbes: — So cities, like I'm thinking Saskatoon, they will still have their official community plan. Because as I gather what happens is everything then flows from the official community plan. That's what your bylaws are based on. That's what your zoning . . . everything kind of has to line up with that. Now does this call for many regulations?

Mr. Leibel: — No, there's no regulation changes necessary.

Mr. Forbes: — Okay. I'm always looking out for regulations. And then any increased costs to the province because of this?

Mr. Leibel: — No, not from our analysis. There would be no increased costs to the province or to the municipalities. This is providing them the tools. The process remains voluntary. There's no mandatory requirement. So it's a voluntary basis of those municipalities whether they wish to participate through the agreement in a planning district.

Mr. Forbes: — How much of the province — I don't know if you can say percentage or what — but is under or do have plans in terms of . . .

Mr. Leibel: — Pardon me. 38 per cent of the municipalities have official community plans.

Mr. Forbes: — And then what would that translate in terms of population? Because you would have the bigger, the cities would have . . .

Mr. Leibel: — Approximately 80 per cent of the communities, the population would be under an official community plan.

Mr. Forbes: — Yes. But I do think that it's one, particularly when you talk about economic growth — and Great Sand Hill is a perfect example and Redberry would be one and Cumberland would be another — in terms of economic growth, it could really benefit from a good plan being in place and if there's any way to help that capacity. Are there grants for communities to take advantage of developing their capacity, or supports I should say?

Mr. Isman: — We've had a program that has recently concluded in terms of allocation of monies, the planning for growth program, and it had a couple of components. And it was focused on intermunicipal plans, the development of intermunicipal plans.

One of the ones that we had though, we also had a planning for growth north, which was a really interesting program, where we actually — in collaboration with the northern municipal trust account management board — we actually were able to employ two planners that went around to northern communities, northern municipalities, and first of all developed OCPs

[official community plan] for all of these municipalities and then zoning bylaws. So there is some coordination in terms of their growth. And quite frankly it's been an outstanding program, and it's been tremendously received.

So in the North we were doing a little bit more hand holding, if you will, than in the southern part of the province. In the southern part of the province, we did through planning for growth. But we also encouraged through, oh the revenue-sharing mechanisms and the like that are where revenues are provided to municipalities for them to make sure that their OCPs are in fact up to date.

Mr. Forbes: — Well thank you for that answer. I'm going to see if Ms. Sproule has any questions now.

The Chair: — Ms. Sproule.

Ms. Sproule: — Thank you, Mr. Chair. Just to follow up on some of the questions that my colleague has asked in terms of the 38 per cent . . . 38 municipalities that are now under . . . Is it the official community plan they have? Or . . .

Hon. Mr. Hickie: — 38 per cent.

Ms. Sproule: — 38 per cent. How many of those are urban and how many are rural?

Mr. Leibel: — Approximately, just roughly estimating it, but around 100 towns and villages would have official community plans. With regards to that 38 per cent of municipalities with official community plans, it's about 68 per cent is it that has zoning bylaws in place, just the zoning bylaw. So while the 38 per cent doesn't sound like a large number of municipalities, it covers most of the population in the growth areas.

Ms. Sproule: — Yes, I guess I understand that. I'm just wondering, there's what, about 560 municipalities, rural municipalities in Saskatchewan right now?

Mr. Leibel: — There's 296 rural municipalities.

Ms. Sproule: — And of those, are you saying a small number would be included in these types of plans?

Mr. Leibel: — About 50 per cent of the rural municipalities have an official community plan.

Ms. Sproule: — Another question I wanted to follow up on was the basically abject non-interest of First Nations, and I'm not sure that's not what I . . . I don't mean to characterize it that way, but it appeared to be that at first glance. And I think you've been involved with a lot of the treaty land entitlement . . . I've seen your name before in my previous career. And I'm just wondering; I know the Federation of Canadian Municipalities did a lot of work trying to engage First Nations in reaching out to surrounding municipalities and there's been some success stories I think, particularly in British Columbia where it's been very successful.

And I'm just wondering if Indian Affairs or what do they call the Aboriginal Affairs and Northern Development were also engaged as part of the consultation process. And it's always an

issue of funding for First Nations, as you know, and so engaging in these types of things may be difficult and that may be a reason for their non-engagement, but was there any interest on the part of the federal government in this process?

Hon. Mr. Hickie: — Thanks, Mr. Chair. You know, the consultation process was never extended to the federal government because this is a provincial legislation or provincial Bill, so I understand what you're saying.

We did in fact reach out to the local First Nations communities and, you know what, I guess the thing is that we asked them for input. For whatever reason, they chose not to. One thing that we do see though is that we do actively encourage municipalities around First Nations communities to work with them, and in some cases duty to consult does come up. There are questions raised back to the ministry. In some cases there's no duty to consult. But we actively encourage that ongoing communication to ensure that they are considered and are part of this regional perspective moving forward for sure.

Ms. Sproule: — Well there's certainly a number of issues of mutual interest for First Nations and neighbouring municipalities, and I know I've seen a number of memorandums of understanding that have been entered into, particularly in treaty land entitlement, when the municipal tax base is being affected. And, you know, waste management, water management, all those things are of mutual interest. And so I find it disappointing I guess that First Nations don't feel that they are inclined to engage in it. And we can always speculate on the reasoning. But I think, would there be any thought on the part of this ministry to pursue beyond the fact that they didn't reply? Is there any thinking there?

Hon. Mr. Hickie: — Thank you for the question. Well, you know, it's one of those things where starting in 2009 we actually did send out communication to local First Nations, FSIN [Federation of Saskatchewan Indian Nations] as well in a separate communication strategy, to try to get them to engage. We also had the statement of provincial interests going forward in this province as well, and we actually again tried to re-engage First Nations communities and FSIN.

It's one of those kind of perspectives where we as a ministry, as government, you want to engage everyone, let them know that there's a process for this. We asked them to participate in it, to come back, to respond. Just like other communications don't get sent back to . . . [inaudible] . . . groups. It may be that they don't find this contentious; they don't find this as an issue to them. It's hard to tell.

We do know that FNMR, First Nations and Métis Relations, hasn't flagged any concerns with us or any kind of a lack of . . . or disrespect or a lack of consultation process. So, I mean, that's positive in that nature. We are, we're doing everything we think is required and we go out on everything to consult with them for input. But like other groups, they just probably chose for whatever reason not to participate and we respect that.

Ms. Sproule: — I think it's complex, but certainly to speculate here probably isn't helpful so I'll let that go.

Just one other question. It seems with the regionalization of

planning districts, I mean we're looking at regionalization then of — actually I have two more questions — but the regionalization of maybe water treatment and sewage disposal and waste disposal. And it seems that that makes sense. And yet what we see on the other side of government is the elimination of the regional economic development authorities. Do you see these authorities, these district plans, maybe taking on some of that responsibility now that that's been shut down by other arms of government?

Hon. Mr. Hickie: — Thanks for the question. Well you know, it's a bit of a difference of the roles. That is solely the ec dev portion of that enterprise regions and their role. Now it does . . . The Minister of Enterprise has indicated numerous times, and of course that we believe, that the local governments have the best idea of how to move that economic development for their areas.

Cases like this when we're planning infrastructure, especially water, waste water, and things that go along those same kind of types . . . We're very pleased to see projects like the Dundurn area project where we've seen other municipalities and other areas participating. And yes, we funded that along with the federal government.

Those are the kind of things where, as we move forward, we want to actively encourage that kind of communication and consultation within regions because there are economies of scale for sure. I use that word a lot, and I use that phrase a lot. But there is a mechanism out there to actually show that there are different ways to . . . Rather than having every municipality having one water treatment facility, you could share one or two. We want to make sure that every time there's an opportunity, we want to ask those individuals — and they bring their plans forward — that the ministry goes back and asks them, have you looked at this concept?

And we're getting some positive feedback. We talk at SARM and SUMA of these issues. There's a lot of those communities who have never heard about it, never thought of it, have started to think about it over the last number of years. And now it's becoming more of an issue as we look at the infrastructure file moving forward for sure, especially on the areas of growth in the province.

Ms. Sproule: — I guess further to that, there may be some merit, and I would be interested to know whether you would consider actually contacting the federal government again in relation to First Nation lands. Because as you know, the federal government has title to them and they often fund these expensive projects as well for water treatment. And in terms of economies of scale, it would make sense to me to approach them because there could be some cost savings along that line as well. So that's not my final question, but that's just an ancillary one to this point.

Hon. Mr. Hickie: — Good point. Yes in fact, you know, like I said before, we encourage municipalities to work with the neighbouring communities, First Nations, and others. We definitely have that same ongoing communication within the federal government ministry officials because we do see the issues of infrastructure and demands across the province as not just solely First Nation, non-First Nation. There are lots of

opportunities. I believe we can actually look at some shared resources, to be sure.

Ms. Sproule: — It's always the jurisdiction that creates problems. And I know how silos are created, so it's difficult.

[15:30]

Mr. Isman: — The development of the water project that involved Air Ronge, La Ronge, and the Lac la Ronge First Nation is a beautiful example of two municipalities and the First Nation coming together with a joint purpose to achieve a goal and the federal government, through some of our cost-shared, provincial-federal programs, really made a meaningful contribution, as did the province. So it was win-win all the way around.

Ms. Sproule: — Yes. It doesn't always work. I've had some that were difficult to negotiate where we had a hospital that was going to be half on-reserve and half off-reserve, and those get tricky. But I guess the last question then I would like to ask a little bit about is the process for the dispute resolution in the event that one municipality wants out.

And I'm just wondering how it would work in terms of the division of assets because it seems to me there's something in the section that says about how there would be evaluation and then if that . . . for whatever reason. I'm just picturing a small municipality that's agreed to a plan, invested energies and infrastructure and dollars into the building of some sort of plant, and then for whatever reason come to irreconcilable differences with the rest of the organization. And I'm sure you've thought about that. So is there any hope for that municipality or are they trapped; they will never have their own water treatment plant? So what would they be able to do in that circumstance?

Mr. Leibel: — The example you give is somewhat apart from the planning district formation and the operation of the planning district because that would be a specific project that would be established as a utility board for that sewer or that water project. So that would be dependent on what's in the agreement between the parties. So that's slightly different than the planning district. So would you like me to explain the planning district?

Ms. Sproule: — Yes.

Mr. Leibel: — Okay. For the planning district, when municipalities get together and form it, they may hire a secretary; they may hire some professional staff to provide ongoing services. And so as part of the review when you terminate or remove one organization from that group, there has to be the determination as to how much assets or the liabilities that are in there in that district that need to be sorted out amongst the different municipalities. And so most of the districts that we have had that have dissolved, there's very little assets or liabilities and it's fairly easy to say, okay this municipality accepts this responsibility.

In a lot of cases, these planning districts cost share by in-kind services rather than actually putting money in and hiring, so it's relatively simplified at this point. But if there was a larger district, quite certain it's important in their agreement to have

the process identified and clarified there first so that it would help give the board direction.

Ms. Sproule: — Okay. I was imagining large capital infrastructure being part of the district, but as you say, those are separate projects. So there won't be a lot of assets to distribute.

Okay. The one final, final question is, which First Nation is involved in, is it wolf water? WaterWolf?

Mr. Isman: — Dakota White Cap.

Ms. Sproule: — Oh, okay. And that would be their proximity to Outlook, I guess in terms of . . . Because they're not part of the water basin at all.

Mr. Isman: — No. It being straight south of Saskatoon, and certainly some of the intermunicipal planning, you're looking at tourism potential through the area. And of course they've had tremendous projects like that particular First Nation has advanced.

Ms. Sproule: — Okay. I think that would be the end of my questions.

Mr. Forbes: — I have two more.

The Chair: — Mr. Forbes.

Mr. Forbes: — In section number, new section 30.1, minister may require a district plan. And I'm just wondering if you could talk a little bit about that. I haven't reviewed the old Act so I can't do a comparison by memory, but I'm just wondering what the circumstances are that requires that piece.

Mr. Leibel: — This section is added to be similar to what's already allowed within the planning legislation, for the minister to look at the statements of provincial interest to say, here's a need for an official community plan to be developed, consult with the municipality, and have discussions on the best approach and solution, and then if . . . In most cases when we work with municipalities, we come to agree upon opportunities to resolve it. But if there is a need to provide some direction, this provides a tool to ensure the statements of provincial interests are applied locally within the official plan. So that's already in the legislation for municipalities. This is extending it to the planning district, district plan.

Mr. Forbes: — So now the statement of provincial interests, they exist. Where does one find them right now? Is it on the website?

Mr. Leibel: — The statements of provincial interest right now is on the Queen's Printer.

Mr. Forbes: — And so a person can just get them. Are they on . . . They're not on the website though?

Mr. Leibel: — I would have to check right now. I haven't looked myself.

Mr. Forbes: — That might be something because I think that I'm somewhat familiar with them, but it would be good to be

able to quickly access them, and that would be good.

The other question I have is, section 189 is amended. And if you can tell me a little bit about that. I don't know; maybe it's in the notes here.

Mr. Leibel: — This section was looked at and put in because there's some settlement areas, cottage areas in the North where the land is all owned by the Crown. They have some leased areas, and as there's a conversion of those leased areas potentially to residential, that land might have to transfer hands from the administration of Environment to the Ministry of Municipal Affairs as public reserve lands or environmental reserve lands.

Mr. Forbes: — I was wondering whether that was the case with potential wildlife habitat, the WHPA [*The Wildlife Habitat Protection Act*] lands in the South.

Mr. Leibel: — It would not apply to WHPA lands.

Mr. Forbes: — So this is a north, basically northern region.

Mr. Leibel: — It's in the northern area.

Mr. Forbes: — Okay. Good to know. With that I think I'm . . . I know it's complicated. I've had some people who were much more able than I am take a look at it, and we feel that it's one that's a good piece of legislation. And always we'll have questions based on it but it's . . . The challenge is taking a policy, getting it into practice, and having the capacity to do that. So that's another issue though. I'm good. Thank you very much, Mr. Chair.

The Chair: — Thank you, Mr. Forbes, committee members. We're in consideration of Bill No. 20, *The Planning and Development Amendment Act, 2011*. Is there any other comments or questions? Seeing none, we will now proceed with the vote in consideration of Bill No. 20, *The Planning and Development Amendment Act, 2011*, starting with clause 1, short title. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 39 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and the consent of the Legislative Assembly of Saskatchewan, enacts the following: Bill No. 20, *The Planning and Development Amendment Act, 2011*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would ask that a member move . . . I would ask a member to move that we report Bill No. 20, *The Planning and Development Amendment Act, 2011* without amendment.

Mr. Steinley: — I'll move.

The Chair: — Mr. Steinley. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you, Minister Hickie, and the officials. Thank you, committee members.

Mr. Hickie, we would like to proceed with consideration of Bill No. 41, *The Miscellaneous Statutes (Municipal Affairs — Municipal Taxation) Amendment Act, 2012*. Are you prepared at this time to continue?

Hon. Mr. Hickie: — Yes, I am, Mr. Chair.

The Chair: — Please proceed.

Bill No. 41 — *The Miscellaneous Statutes (Municipal Affairs — Municipal Taxation) Amendment Act, 2012*

Clause 1

Hon. Mr. Hickie: — Thank you. The third and final Bill we'll be addressing here today is Bill 41, *The Miscellaneous Statutes (Municipal Affairs — Municipal Taxation) Amendment Act, 2012*. The amendments proposed in this Bill are required to address the issues of removal of incentives applied for early payment of education property tax and transparency of council decisions for exempting property from taxation.

On the first point, I want to make it clear that municipalities still have the ability to exempt the municipal portion of property taxes by up to 15 per cent. I think there has been some misinformation on that, and I wanted to make sure that this is clear to the committee.

Mr. Chair, municipal government's ability to provide incentives related to EPT [education property tax] is out of step with the provincial government's direction. Our government has made historic reductions in the education portion of property tax to the tune of over \$165 million. Essentially there is a continuing of discounts on a portion of property tax that has already been substantially lowered. The shortfall to school divisions from these discounts was \$20.9 million in 2010 and \$16.4 million in 2011. This must be backfilled by the provincial GRF [General Revenue Fund]. If all municipalities offered discounts, the shortfall would be \$93 million. Municipalities don't establish mill rates for EPT; therefore providing rebates and discounts is incongruent.

This change comes down to equity. Not all municipalities offer discounts for early payment. Ratepayers in those municipalities pay 100 per cent of the portion of EPT. Their neighbour in the next municipality may have a 15 per cent discount for early payment. Because that shortfall must be paid out of the GRF in order to ensure education is properly funded, the neighbour with no discount will be paying 100 per cent of the EPT as a share of any discounts through tax dollars going to the GRF. These changes will address this inequity. Consultations on these changes happened between the ministry and SUMA, SARM, and several other associations. The discussion paper was published in the *Municipalities Today* with a link to provide feedback from groups and individual ratepayers.

The second change is in regards to transparency and accountability of council decisions pertaining to local property tax exemptions and abatements. Municipalities have the ability to exempt, cancel, and abate both municipal and education property taxes. Exempt property does not appear on the tax roll and no taxes are levied on that property. At this time, councils are not required to publicly report exemptions. These amendments will simply ensure property-granted exemptions are shown on the assessment roll of the municipality. This will help to ensure the exemptions are transparent, that the public school divisions and province are aware that they are being given.

Thank you, Mr. Chair. I'll be happy to take any questions from the committee at this time.

The Chair: — We will continue with clause 1, short title. Are there any questions, comments? Mr. Forbes.

[15:45]

Mr. Forbes: — You had a consultation paper, and it was in the SUMA paper. When was that?

Hon. Mr. Hickie: — Thank you for the question. May 2011.

Mr. Forbes: — A year ago.

Hon. Mr. Hickie: — Yes.

Mr. Forbes: — Okay. Do you know if any of the SUMA folks or any of the municipalities, did they take it back to their ratepayers and ask for their feedback?

Hon. Mr. Hickie: — Just for clarification, actually one of the first times I went to the municipalities, through the publication, was May of 2010. I'm sorry about that.

If you'd like to go through a list, back in June 4th, 2010 we had consultation with Government Finance Officers' Association.

Mr. Forbes: — No, no. No, it's not so much who you consulted with, but I'm just curious whether the municipalities actually consulted with their ratepayers? Do you have any sense of whether they actually raised this with their ratepayers?

Hon. Mr. Hickie: — Yes. Good question. Sorry for that. It's up to them to do that ratepayer consultation. And if they so choose, and if they wish to do it, that's on their own and they aren't required to tell us. And in this case they didn't. So we couldn't tell you for today any ratepayer consultations.

Mr. Forbes: — And you know, I appreciate that. But I think some of these things, it's interesting because it is the ratepayer who's affected at the end of day. And it would be interesting to say, have you folks . . . It's one thing to consult at a government level — and of course that's fair enough, government to government — but it would be interesting because I don't remember hearing about this, and I'll have to look back.

And so it was in May 2010 in the SUMA paper that it was published, and of course it's not your responsibility. But I'm just saying, that it's one . . . And of course, you know, we can't

really debate the piece of legislation here because it is what it is and we're not asking them to fine-tune it. It's just that it's one that many people look forward to getting that extra benefit of a discount. And it's a bit of a savings, and they just become used to it because I think it's been in effect for several years. How long has the discount on education or property tax?

Hon. Mr. Hickie: — Well thanks for the question. Well I will say there's a bit of a historical perspective here, of course, that since 2009 in the Reiter report, we have reduced education property tax burden on the ratepayers in this province, very much aware of that, to the tune of over \$165 million to date.

The purpose of this is to ensure equity. And I can make this very clear. When it was explained to me, you and I could live this far apart — two adjoining RMs, municipalities, what have you — and you pay 100 per cent of your tax on education property tax, and I could get up to 15 per cent.

So to say that some ratepayers . . . You make it sound like most of the province has been able to get a discount. That's not always the case either. We've already given them the reduction in education property tax. So by doing this to a further reduction, it's a direct hit to the GRF, which means there's less money available for infrastructure projects for schools, hospitals, those kind of things.

This is a prudent mechanism to ensure that, as members of your caucus have actually said in *Hansard*, that this is people paying their fair share of taxes on education property tax. Now we definitely agree that municipal governments can do their own deductions still. And some do. Some don't. Regina doesn't. My city has a very minimal amount of deductions. We know Weyburn now is reverting back to a no-deduction base. The issue is that they still can do that if they want to. It's up to them on the municipal portion, but education property tax, we believe that we've given substantial discounts across the board since 2009. So it's an equity and fairness issue right now.

Mr. Forbes: — I'm not disputing that part of it. For many people it was a bit of a surprise especially, I would say, seniors or low-income people who pay, who are still in their homes. And so the question I have, there is two questions I have. Just to be clear, how long had this been in effect? How long have there been discounts in the province of Saskatchewan? I guess the question would be, when did this Bill first come . . . or when was this Act first passed? You know, because it's been one that many people have come to agree.

And I guess the other question I would have is, what proportion of municipalities actually do have some discounts? I mean you're saying there's one at 100 per cent. You know that would be interesting to know, but is it half and half? This is not really a big deal, or is it not that many have 100 per cent? And I guess, you know, this is always our big debate about RMs' amalgamation, is this is the RMs' choice to do what they want to do. And this tool was, this Act was an enabling piece of legislation that allowed them to do that so that they would have cash. So those are my questions.

Hon. Mr. Hickie: — Well I could say in a bit of a humorous note that John Edwards to the left of me leaned over and said he's not old enough to remember when discounts were allowed

to be . . . It's been extensively . . . It's been many, many, many years in Saskatchewan to be sure. So it's been on the books for sure that way.

You know, the issue of this, the changing of this Act right now and how this is going to work is that the exemptions on EPT won't affect the 2012. It'll be 2013 when it comes into effect so this tax here is still applicable. You know, of the 786 municipalities in the province, 53 do not offer some type of discount. So it breaks down that there's the city of Regina, the RM of Excelsior 166, eight northern villages, four towns, and 40 villages. And of course we'll have the city of Weyburn on this next one as well.

What's substantial is that the discount isn't evenly applied: it's up to 15 per cent; in some communities it's less than a per cent. So it's interesting how they want to use this mechanism to ensure that they get their portion of their property tax for fluid liquidity for sure, for their records to have cash coming in.

But since we took over education property tax and funding and reducing that mill rate and controlling the mill rates, that particular part of the tax bill now, it falls under the Saskatchewan government to ensure that the equity's in place. And as I said before, there's a significant shortfall of the GRF every year for the last two years in this. And we have to ensure that under a balanced budget format, that we're doing responsible government in regards to this. In the past, when the mill rates were set by the cities and by the school boards, it was different.

Now we still haven't taken away their autonomy on things like the actual abatements and exemptions. Those particular entities can still do that, and the school boards have been involved with that. So they're aware of what they could be losing in revenue coming from the province. If they agree, like to an exemption or abatement, they might in fact have to realize that they're going to agree for a short term to reduce their particular revenue from the province to encourage economic development, what have you.

But in a case like this . . . So we've answered the first part of the question, I think since before John's time. And then in the other case is that, you know, the discounts aren't uniform and we're seeing a disproportionate amount, truly in the oil and gas sector areas and in some of the areas — Lakeland in fact, north of where I live, what they charge, it's a 15 per cent discount. And that involves a lot of assessed land and property. In Lakeland alone, it's \$500,000 a year. That's pretty substantial.

Now we have to make sure that in the end, as a minister and as officials, when we looked at this it became, do we want to extend a certain . . . and put a cap on the discount up to a certain amount? Maybe not 15 per cent even, looking at more of a different way to do it. I just looked at the numbers and I said, this is the best way to make sure that there's an equity position and everyone pays their fair share of taxes. So moving forward, I mean, the municipalities still have their right to do their own discounts to ensure that they get their portion in, and they can work with cash or at the earliest time.

Mr. Forbes: — But they pay the bill, right?

Hon. Mr. Hickie: — The municipalities.

Mr. Forbes: — Yes, when they're doing the other rebates or discounts. It's not coming out of the GRF, right?

Hon. Mr. Hickie: — For them, they're going to factor in that if they want to do a discount and they're going to be short of cash, they have rationale behind that. I guess it's to get money in the bank account. Of course they recognize now that there's a substantial increase in revenue sharing as well that they have coming to them as well from this government. So I mean it's all a business decision if they want to or not.

Like I said before, Weyburn decided not to. They've decided to take off the discount on all the tax. They're not going to do discount on their municipal portion either. So there was an article in the paper by Mayor Button talking about that. They recognize that it causes a shortfall in their cash flow. And they want to have their full amount of what's owed to them to assure they don't have to backfill through some other mechanism — adjustment of mill rates or any other kind of levy.

Mr. Forbes: — Well I don't have any further questions.

The Chair: — Are there any other questions concerning Bill No. 41 by any of the committee members? Seeing none we will now vote on consideration of Bill No. 41, *The Miscellaneous Statutes (Municipal Affairs — Municipal Taxation) Amendment Act, 2011*.

Clause 1, is that agreed? Short title.

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 5 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts the following: Bill No. 41, *The Miscellaneous Statutes (Municipal Affairs — Municipal Taxation) Amendment Act, 2011*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I'm sorry. That should be 2012. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would ask that a member move that we report Bill No. 41, *The Miscellaneous Statutes (Municipal Affairs — Municipal Taxation) Amendment Act, 2012* without amendment. Mr. Phillips. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Thank you, Mr. Minister, and your officials for the consideration of these Bills. Thank you to the committee members. This is the agenda that we have for this

afternoon. We will recess now and reconvene at 7 o'clock for the consideration of Bill No. 37, the tourist amendment Act. This committee now stands adjourned.

A Member: — Recessed.

The Chair: — Or recessed, rather.

[The committee recessed from 15:57 until 19:00.]

The Chair: — Well good evening, ladies and gentlemen. Welcome back to the Intergovernmental Affairs and Justice Committee meeting. This evening we will be considering Bill No. 37, *The Tourism Saskatchewan Act*. We will start with clause 1, the short title.

Bill No. 37 — *The Tourism Saskatchewan Act*

Clause 1

The Chair: — Welcome, Minister Hutchinson, and his officials. Minister Hutchinson, if you've got some opening comments, please continue. Please go ahead.

Hon. Mr. Hutchinson: — Thank you once again, Mr. Chair, and members of the committee. It's a pleasure as always to appear before you. With me this evening I would like to introduce Wynne Young, who's the deputy minister; Ken Dueck, who's the executive director of tourism initiatives; and also Travis McLellan, who's the policy analyst for the tourism initiatives branch.

We're pleased to talk about *The Tourism Saskatchewan Act*. The Act makes Tourism Saskatchewan a Treasury Board Crown, Mr. Chair, which will provide greater direction over tourism functioning and overall tourism activities. We decided to make this change after carefully reviewing key recommendations from a review of the tourism system. I'll tell you about some of the key recommendations and some of the results of the consultations, but first let me give you a little bit of useful background.

A few years ago, our government hired independent consultants to do the tourism system review, as it's known officially. This eight-month process included extensive consultations and input from a broad cross-section of the industry, and we have all of those consultation notes with us. If anybody would like to refer to who precisely was involved, we have that information. The consultations for the review included key stakeholder interviews, meetings with specific organizations including Tourism Saskatchewan's management team, focus group sessions with industry, and written input from interested organizations as well.

The consultants wrote in the report that with the creation of our ministry — the Ministry of Tourism, Parks, Culture and Sport — in 2008 that it was, and we're quoting here:

... timely to review the role of the Ministry, Tourism Saskatchewan's mandate and the relationships of the government and the regions ... [of] Tourism Saskatchewan, the five tourism ... [regional organizations] and the City and Destination Marketing

Organizations.

Much has changed in and around the tourism sector in the last 10 years [the report continues]. The role and prominence of the Internet in tourism marketing and visitor planning has grown. Saskatchewan's economic profile as well as the world economy continues to fluctuate. How, why and where people travel has evolved significantly.

These were some of the reasons for the review. Even more has changed since that was written, Mr. Chair. In fact Tourism Saskatchewan has taken the first step in making some significant changes including implementing a quality assurance program, with our funding and support, and stopping the funding for the five tourism regions — a difficult but as they would tell you, Mr. Chair, a necessary decision.

I'd like to read the eight guiding principles for the review developed by the steering committee and recorded in volume one of the review, for all those that have a copy:

The review needs to be visionary.

The growth of the tourism industry in terms of gross revenue should be the focus.

The relationships in the industry should emphasize collaboration.

Recommendations should emphasize a simplification of processes.

Recommendations should be informed by best practices.

Recommendations should be action-oriented and as specific as possible indicating responsibility for the action and timeframe.

There are no sacred cows.

[And finally] The review will be transparent.

When I review those eight guiding principles, Mr. Chair, and think about the recommendation and our government's subsequent actions, I'm proud to say that we followed the spirit of those guiding principles.

Now let's get into what the consultants actually found. The consultations showed that generally there is satisfaction with the current model but that it could do better. And we want it to do better. Making these changes to focus Tourism Saskatchewan's mandate and to better coordinate the provincial image will grow this industry and support our government's growth agenda. The two actually go hand in hand.

The review consultation document asked if government was in or out and said specifically that if we were going to be in tourism, we needed to fund our own assets such as our provincial parks amongst other things. Well, Mr. Speaker, the facts show that we clearly met that challenge. Government is in tourism. It's a \$1.7 billion industry for this province, and it accounts for almost 60,000 full- and part-time jobs. And we are funding our own assets. Budget 2012-2013 fulfills the government's promise to invest an additional \$10 million over the next four years to improve our provincial parks. And, Mr. Chair, this is after increasing the capital fund for our provincial parks by 250 per cent over the last four years. This year for example an extra two and a half million dollars will be spent on things like improving washroom and shower facilities,

upgrading picnic areas and barbecues, and adding more electrified campsites.

The review also recommended, and this is extremely important, Mr. Chair, one point of entry into government for tourism. By creating this Treasury Board Crown, we are creating one point of entry. And the review highlighted that this province is an anomaly all across Canada. We're taking the best practice from across the country. It's worth noting that every other jurisdiction in Canada has its tourism functions in either an agency of the Crown or delivers it directly through a ministry. There are actually a few examples of each. We have chosen the Crown route.

You may have seen Newfoundland and Labrador's recent television campaign which won the Tourism Industry Association of Canada's Marketing Campaign of the Year Award. Newfoundland and Labrador currently does this from inside the Department of Tourism, Culture and Recreation. You may have also seen the recent Alberta advertisements. These were done by a legislated agency of the Crown called Travel Alberta.

We're acting on the recommendations in the tourism review, and I believe the industry will see tangible benefits as a result. In fact the industry has already seen tangible benefits consistent with the tourism review recommendations. The review had recommended a quality assurance program and a centrally coordinated in-province marketing campaign. Tourism Saskatchewan has already acted on and implemented both of these items.

Our government is now continuing to review and implement recommendations from the tourism review. And from here, industry will get to see a greater focus on tourism as part of government's overall economic plan, a new and more intense focus that we think is long overdue and will be very, very beneficial.

This will ensure that the entire tourism industry benefits from government's investment, and not just the current members of Tourism Saskatchewan. It will allow a greater coordination of the provincial image, and particularly at major events which ought to be a focus of this industry association. Saskatchewan has already hosted and will be hosting a large number of very significant events. Right now Tourism Saskatchewan and the provincial government each have their own presence at these events from time to time, and that just doesn't make sense. That's an overlapping where we're wasting time and money and resources. This change will allow for one coordinated provincial image. And this is particularly important for the growth agenda of our government for the province of Saskatchewan.

I'm very pleased to report that in the 2012-2013 budget we're including increased funding for our event hosting program in the tourism initiatives branch. The Government of Saskatchewan supports events to increase tourism revenue, create employment, increase volunteerism, and also increase opportunities for residents and non-residents alike to solidify our provincial identity. It's about pride of place, Mr. Chair.

Events provide residents the chance to participate in new and

unique activities. They provide exposure to different cultural, recreational, and sport activities. And they provide a forum to generate interest for those activities amongst a much wider audience than would otherwise be the case. Major events provide a return on investment and grow the economy.

We have lots of specifics in that regard if people would like to get into them, and the figures are actually quite compelling. Just one example, the 2010 IIHF [International Ice Hockey Federation] World Junior Hockey championships held largely in Saskatoon and Regina but other smaller communities as well generated, on a \$3 million investment from our hosting fund, \$86.6 million in economic activity for the province. That's a 30 to 1 return on investment, and that's very, very important.

Since 2008 more than 71 events have received support in this way. And we have some exciting events coming up that our ministry is supporting, and they include: the 2012 Canadian Country Music Awards in Saskatoon; the 2013 Juno Awards, which will be held here in Regina and also next door in your community of Moose Jaw; the 2013 Memorial Cup, which will be in Saskatoon; and the 2014 North American Indigenous Games coming to Regina in a couple of years time.

Supporting events like these provide a significant return on our investment through stimulating the economy as we mentioned. They bring tourists, increased tax revenues, and of course create jobs. They help our government in keeping the Saskatchewan advantage. This is a program we're very proud of, and it makes sense to work with Tourism Saskatchewan on showcasing our very best image at these events in a much more focused and concentrated way.

As I mentioned, one of the recommendations in the review was a single point of entry for tourism into the government. There are many people experiencing Saskatchewan these days, and there are business leaders, meetings and conventions, dignitaries, investors, foreign students, all kinds of academic proceedings, and we need to focus on them. This change will allow coordination so that the government can make the visitor experience the best it possibly can be for all of these particular groups.

Tourism as we mentioned is a very big industry in Saskatchewan, and our government wants to take a greater leadership role which will better position the industry for growth and meet the challenge given directly to us in that tourism system review. The new Crown corporation will help us to achieve the goal of better aligning all of our provincial marketing efforts to attract more business and investment so that what we're doing in agriculture, what we're doing in immigration, what we're doing in energy and resources is the same thing that we're doing in tourism. They'll all be at the same table sharing the same thoughts and ideas in the same conversations. That's the power of the Crown corporation. It will be more consistent with our message and more effective in marketing our province both here and around the world.

Tourism Saskatchewan we need to say at this point, Mr. Chair, has done a solid job in taking tourism to this point. But Tourism Saskatchewan is an anomaly, and in the three other provinces that have an arm's-length agency, they're all agencies of the Crown. We think that's best practices. We think that's the

challenge that the report offered to us, and we're embracing it with real enthusiasm.

This new Act makes Tourism Saskatchewan a Treasury Board Crown which still allows the flexibility of an arm's-length agency as well as the benefits of a greater alignment with government as we mentioned. It also clarifies Tourism Saskatchewan's mandate by focusing on marketing, visitor services, market research, and product development. It will retain the ability to respond to shifts in the marketplace and technology, the ability to access private sector support and partnership through partnered marketing programs, just the same as it is today. The ability to market online will remain. The long-term commitment to markets will stay the same. The ability to enter multi-year agreements, the ability to carry over funds between fiscal years, the ability to attract top quality marketing people, and the ability to foster industry engagement — all of these will remain the same. They'll all continue under the new Treasury Board Crown model.

Now before we move to questions from members, Mr. Chair, I want to assure anyone who's watching from the industry, we need all industry members to know that as a continuation of the existing corporation, all of Tourism Saskatchewan's current agreements and contracts carry forward without interruption or alteration under the new structure. Employees and employee contracts are also carried forward to the new organization.

And Tourism Saskatchewan's budget allocation from the Government of Saskatchewan remains fully intact at \$12.18 million, a budget which — we need to mention for the record, Mr. Chair — has been increased a full 50 per cent by this new government, recognizing as no government previously has the importance of this industry to our provincial economy.

The programs and services of Tourism Saskatchewan will continue uninterrupted. That will include partnered marketing initiatives like the travel guide advertisements and listings, trade shows, and the 2012 Saskatchewan campaign. The work Tourism Saskatchewan has been moving forward on quality assurance will also continue, Mr. Chair.

I want to assure industry that there is one recommendation, however, in the report that we will not be implementing, and that is a province-wide destination marketing fee, or DMF as it's known in the industry. We firmly believe that the current system, where the private sector, such as hotel associations, implements these fees in a way that is working well — better than if the government were running things — we have said clearly we will not be changing that.

We have a destination marketing fee that has been administered very successfully in Saskatoon and in Regina. We have other communities that are stepping forward, recognizing the advantages of this kind of organization and saying, would you please be so kind as to consult with us so that we may understand what it is that you're doing and how it is that you're succeeding. We might want to follow in your footsteps and adopt a similar model. Mr. Chair, we warmly welcome that kind of outcome, and as many communities in Saskatchewan as want to set up their own volunteer, locally led, locally run destination marketing funds, we're absolutely comfortable with that.

Once again I'd like to thank Tourism Saskatchewan and its personnel for all of their fine efforts and let them know that we are looking forward to working with them to continue to grow this industry and to work very closely with them on the transition from arm's-length agency to Crown corporation. Again tourism is a \$1.7 billion industry. It deserves our very, very best effort and it needs to be marketed alongside the rest of the provincial economy to meet its full potential.

Those are my introductory comments, Mr. Chair. Thank you so much for listening. We now invite any questions members may have.

The Chair: — Thank you, Minister Hutchinson, and welcome to the officials. We are in consideration of Bill No. 37, *The Tourism Saskatchewan Act*. Is there any comments or questions? I recognize Mr. Vermette.

Mr. Vermette: — Thank you Mr. Chair, to the committee, and to the minister and officials for an opportunity to ask questions on, I guess, Bill 37, turning Tourism Saskatchewan into a Crown corporation. I want to start out I guess before making some opening remarks, on some of the stuff that has been shared with us by the industry, by the partners, the frustration about the process, and I guess the way this was done.

I think it blindsided a lot of people. That's some of the comments we've been, shared with us. Industry, the partners, very clearly were not aware, especially after the review. And I know when I go down into the questions, we'll break it down and we'll go through piece by piece to really understand what's going to happen. And I think we need clarification for Tourism Saskatchewan CEO [chief executive officer], board of directors, and the employees and the partners that are truly, have made this organization very successful and Saskatchewan, you know, a province that's recognized out there because of the good work that Tourism Saskatchewan has done with the partnerships, the employees.

[19:15]

But when you look at the different things, and I guess you take everything into consideration, even the survey, and it was interesting to see over 600, more than 600 I guess of its members and people in the industry responded to a survey that was put out by Tourism Saskatchewan when the announcement was made. Within two days I think they had over 600. Very clearly almost 70 per cent were opposed to this.

Now like it or don't like it, the government is going ahead with this. And unfortunately the government has made decisions before without consulting, and we see that. And without following patterns or other, you know, the other areas of the province that are doing certain things and allowing certain things to happen with their industry, the government says we're not going there; nobody else is doing that, so we're not doing that. Yet we have a tourism industry. It looks like we're the one heading in a different direction clearly is what we're being told.

And when you look at it, the report, it made it very clear that Tourism Saskatchewan should stay at arm's length from government for a reason. Very interesting. And I guess we'll go through tonight asking questions and trying to ... My

involvement in that is to make it very clear, I guess to point out and try to find where government came up with this idea that this is what the total industry wanted when you didn't consult, how you came up with that, when you clearly have partners, Tourism Saskatchewan, making it very clear that they were not involved in this.

Now we'll get into the questions shortly, but I want to make a comment. The minister has referred to, and I believe it was almost 99 per cent of Tourism Saskatchewan's budget you've referred to, that government grants or the government operation, that's how Tourism Saskatchewan operated. When you look at the financials for Tourism Saskatchewan from last year, the fiscal year September 2011, it's very clear that no, I'm sorry but I have to disagree with the minister that Tourism Saskatchewan revenue didn't come 99 per cent or 90-some per cent from the government. There was other partners, other sources of revenue that came into that. So that's very concerning to me that the minister went on with it.

Now having said that, the last thing — and then I'll go into the questions — it's very concerning, and that's where you see the marketing and advertising that Tourism Saskatchewan has. Just about \$8 million is put into marketing and advertising, and there are people out there and I think some of the industry questioning, some of the letters, phone calls I've received, some of the conversations that a little concern when government and the Finance minister makes some of the comments that he has made. And I'll get into that more when we ask some of the questions or a question.

But I just wanted to do some opening comments on behalf of some of the people that have asked the official opposition to ask questions that are of concern. And some people may be scared to come forward for whatever reasons, whether they're doing contract work or a job. Not everybody is so comfortable to come forward and raise their concerns out of, I guess, a backlash when the government's going ahead it as strong as you are. Some people are not as comfortable as we would think to come out and show their, if I say, unhappiness with the way the government has handled this.

But having said that, I'll go into some questions. Now if you could, Mr. Minister, was the change as a result to taking Tourism Saskatchewan into a Crown corporation, how did you consult, and who did you consult in the industry? And I'm talking about the partners. And there's a lot of them; we know that. You know, how many, what groups did you guys consult with to get that they wanted to take Tourism Saskatchewan into a Crown corporation, to have governments controlling it?

Hon. Mr. Hutchinson: — Thank you very much for the question, Mr. Chair — a multi-faceted question and it deserves and will get a multi-faceted answer. What we need to do is to provide a little bit of context. There was a tremendous amount of consultation, as we mentioned earlier, that went into the tourism review conducted by our industry-leading consultants. And we need to consider all of the efforts that they made.

Here, in summary, is what we found that they had done. And this is a photocopy directly from their report. Input was gathered in the following manner: initial stakeholder, key stakeholder; personal and telephone scoping interviews, a

number of them; meetings with specific organizations, and that list includes Tourism, Parks and Culture and Sport senior management team, Tourism Saskatchewan's senior management team and staff, all of the five tourism association regional boards; focus group sessions — two of each held in Regina and in Saskatoon — and they will have included Tourism Saskatoon and of course the Regina Hotel Association in that; stakeholder telephone interviews with specific stakeholders — they mention 16 of them; written input from Tourism Saskatchewan's president's task teams, and there are several of those industry experts on tap ready to provide opinion when necessary; written input from the Tourism Saskatchewan board itself, input from individual responses of session participants; and input through a web survey called industry matters.com, 45 responses, and then they go to list at great length some of the folks that were involved with that.

Now, Mr. Chair, we don't need to get into that level of detail, but suffice it to say, that's a lot of consultation. It's very fair to suggest that a broad cross-section of the industry and other stakeholders who are not directly involved in the industry, such as our ministry personnel, offered their opinions and they were heard and pulled into the mix quite properly by the folks that did the study.

Now what the report does, after analyzing all of this information, is that it lays out a challenge to the provincial government. It says, if you're in this industry, then you need to step up to the plate. You need to take a more active and more of a leadership role in the industry just like everybody else in the country is doing. You need to adopt current best practices and then, Mr. Chair, right after that, without specifically saying, please create a Crown corporation or absorb these activities back into the ministry, it outlines those best practices as they currently exist coast to coast to coast.

Well what are those current best practices coast to coast to coast? There are just two. Every other jurisdiction, every other jurisdiction has gone down this road and concluded, as we now have, that you either bring these matters back under the direct control of a Ministry of Tourism, Parks, Culture and Sport, in our particular case, or you create a Crown corporation. So those are the two results. If you're going to go with current best practices, you will choose one of those two in order to move ahead, to provide the direction, government support, and the focus that the industry really deserves in order to position it best for growth.

So having heard from the industry and the consultants, it then becomes our job to make the decision, which we did. It's then our responsibility to communicate in the clearest possible terms that decision, which we also did. And then it's our responsibility to work closely with Tourism Saskatchewan and industry stakeholders to effect a smooth transition from the arm's-length agency to the Crown corporation, which is exactly what we're doing right now.

You know, Mr. Chair, to put it another way, as is quite often the case with as in-depth and as comprehensive a study as we have in front of us, we heard two different things. And it's not uncommon at all that the report will not be absolutely unanimous on every opinion it expresses. It said two things: please retain the current flexibility that exists in this

arm's-length agency but, at the same point, have better alignment with government ministries and government initiatives. Well it can't just be one or the other. It's got to be a little of each.

The real challenge for us then as a government is how do you strike the right balance, because currently the right balance doesn't exist. What change would you introduce to that kind of structure in order to get the best balance?

Mr. Chair, it is clear that when you look at what other jurisdictions have done, they warmly embrace one of two solutions: bring it all back into the ministry or create a Crown corporation. That's the right thing to do. So we have chosen one of those two options which we think is a little bit more advantageous to us than the other. And we've decided to proceed down that pathway, and we're working in the closest possible fashion with the stakeholders in the industry and the members of Tourism Saskatchewan itself. Thank you, Mr. Chair.

[19:30]

Mr. Vermette: — Yes, I understand from the committee member while . . . You know, you talk about the document. And you've asked people to have a look at it, and it's interesting. You should have a look at page 35. It's really interesting as you go through this document. And I just want to read into the record part of that document as the minister did, as you are so good at picking and choosing what you want to listen to and not listen to. But anyway:

Strengthen Tourism Saskatchewan: Focus the Mandate

One of the key areas of agreement among all parties to this review is Tourism Saskatchewan should remain an arm's length organization from government. The original reasons for creating an arm's length marketing agency are [of value] . . . today as they were in 1994.

Now what does that say to me? And I don't know what that says to you in there. And then it goes on, listing exactly the reasons why, the rationale to why it's still very clear.

All partners agreed to this. So if all the partners that came together that it remain, you know, all the parties, why would you go against the review? It's very clear on page 35. The section is 3.7. Why would you, as a government, without consulting, and you say you've gone through this report . . . So what does this mean to you in the report?

It's very clear the partners agreed and everyone that took part in it. So I'm thinking government took part in this. The parties all agreed. So if the partners agreed to this, to leave Tourism Saskatchewan at arm's length and that's what the agreement was, why did you go and blind side Tourism Saskatchewan and the people that thought this is where we're going? So please answer that.

Hon. Mr. Hutchinson: — Thank you for the question once again. Mr. Chair, I think what we need to do at the outset in our answer is to clarify what it is that we actually agreed to do. Obviously the member has his own opinion, and ours — I'm

sure you'll understand — is ever so slightly different.

We did agree, as stakeholders, to participate in the consultation process. Well that's the given. That's the price of entry. And certainly we agreed to share our opinions about what works in the industry and what perhaps needs some improvement. We also agreed to listen carefully to the opinions of others.

But — and this is the big but, Mr. Chair — we also need as a government to retain the flexibility to make the decision in the end that we feel is in the best interests of both the industry itself, whom we're hearing from, and the people of Saskatchewan, whom we represent. That puts us in a distinctly different position than anyone else at the table. It's a different kind of responsibility calling for a different kind of engagement. And our results may not be quite the same as someone else's. Our opinions may not quite match everyone else's. But that's as may be because we have two jobs: we have the best interests of the industry and the best interests of our province in mind.

Now let's look and see what it is that the report actually asks for. Here's a quote. This is from page 35 and a little bit that goes on into page 36: "*3.7 Strengthen Tourism Saskatchewan: Focus the Mandate.*" Here's just a sentence of preamble that'll give us the right context: "One of the key areas of agreement among all parties to this review is Tourism Saskatchewan should remain an arm's length organization . . ." That's actually the words. But again we need to say, what is it that they're intending here?

Well they actually get a little bit more specific in a very, very interesting fashion. Here's the specific examples of what they're hoping that kind of outcome might produce. They want: "To retain the flexibility necessary to respond to shifts in the marketplace and with technology." Well that's exactly what a Crown corporation will enable them to do.

Second of all, they access . . . Perhaps the member may want to listen to the answer, Mr. Chair. "To access better private sector support/partnerships (leveraged marketing), which is more easily accomplished as a private arm's length organization . . ." Well you know, Mr. Speaker, that sort of flexibility is retained in the Crown corporation model.

The next thing that they specifically want to see as an outcome: "To retain the ability to execute web-based marketing and networking without the potentially limiting privacy guidelines . . ." Well that's also going to be retained in the Crown corporation model.

"To keep messaging relevant to visitor markets which need a long-term commitment and consistent message from the destination." Bingo. Another interesting item of flexibility there, Mr. Speaker, that can be easily accommodated within the Crown corporation model.

Another one here: "To respond to industry-driven marketing cycles, rather than government funding cycles." Mr. Speaker, that's one of the primary reasons why we decided not to bring these activities back into the ministry but to create the separate Crown corporation. If anybody's seeing a pattern here, Mr. Speaker, it's because we intended it to be that way.

Here's another one, another intended outcome: "To have the ability to enter into multi-year contracts with partners, as well as to be able to defer spending outside of fiscal year ends to meet market requirements." All easier to accomplish, Mr. Chair, in a Crown corporation model.

And we continue. This is from page 36: "To attract and retain the entrepreneurial skill sets required in a marketing agency." Easily accommodated once again in the Crown model, as is the "... nimbleness to implement quickly; e.g., the design and production of a new visitor guide within nine months." Well I think, Mr. Chair, that if you have a Crown corporation, it need not take nine months to handle that sort of an assignment. It could be done quicker.

These are the things which can very easily be accommodated within the Crown model, perhaps even better than within a ministry model. And I know what the report says in its preamble, but then when you look at what the outcomes it's hoping to achieve with that model, again and again and again, that flexibility, that nimbleness, that assurance of results are exactly what the Crown corporation model offers. Mr. Chair, we think the facts speak for themselves. The Crown corporation model, if you study it carefully, is an excellent way to respond to virtually every one of the expected outcomes that the report is asking.

Mr. Vermette: — Well let's go back to some of the other questions I guess. We talk about, amongst all the parties involved it's very clear. I guess there's one party that wasn't involved, doesn't agree with this, for some reason has gone on its own, its own agenda.

Now having said that, Tourism Saskatchewan, if you look at it as that's going to be a Crown corporation, and currently it had partnerships with other Crowns — SaskTel. Will the partnerships that they developed, Tourism Saskatchewan, will that continue or will that be outlawed by the new structure of the Crown?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. The answer to the member's question is yes.

Mr. Vermette: — Thank you for the simple answer. Can the minister describe how the new Crown will operate and where will it be located and where will the head office be? Will it be staying in the same way, or are you guys planning to do some moving around? And I'd just like to see what kind of, I guess in those areas, what direction you're going to go.

[19:45]

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Well first to the easy one. Where will the headquarters be? Where they already are; it's as simple as that.

Now the more difficult one, that'll take a little bit of consideration. How will it be operated? Well beyond the obvious — that it will be operated as all Treasury Board Crowns must be operated, and that every effort will be made to ensure a seamless transition from the current status as a stand-alone agency to the Treasury Board Crown — there are, in fact, a number of interesting and challenging technical details

which Mr. Dueck, on my right here, is better positioned to address than I am.

Mr. Dueck: — All right, thank you. As a continuation of the existing organization, much of the operating will carry forward. All the current agreements and contracts that are in place carry forward to the organization, as it is a continuance. So that includes any funding agreements that they have in place, any contracts that they have with suppliers, as well as employee contracts would all carry forward.

In terms of maintaining industry engagement, Tourism Saskatchewan will continue to have things like industry advisory committees that help provide guidance to the organization and access to Ministry of Tourism, Parks, Culture and Sport officials.

In terms of the programming that will continue, we've mentioned things like partnered marketing, quality assurance, the current marketing campaign that's going on in-province. All of those things continue under this organization.

Mr. Vermette: — Thank you for that. So can you tell me what will be different?

Hon. Mr. Hutchinson: — Thank you again, Mr. Chair. The reason that we suggested that Mr. Dueck would be the right person to answer that question — and I neglected to mention this, and I apologize — is that he is in fact head of the transition team. That's what makes him most suitable for these kinds of technical questions.

Mr. Vermette: — Thank you, Mr. Chair. So you just answered my question. So what will be different?

Hon. Mr. Hutchinson: — Thank you once again for the question, Mr. Chair. But it was a bit of a challenge for us in that there are a number of very important elements that will see significant change, all for the better we're convinced. We had to kind of boil it down to a couple, otherwise we would have taken the rest of the evening with just one answer. Obviously we wouldn't want to do that. So one of the things that we're looking for here is a new and more focused approach to events.

Let's start with an example. I can recall when the IIHF world hockey championships came to Saskatchewan, or at least there was a bid committee that was interested in attracting it. They did go to Tourism Saskatchewan at the time and said, how about it? I mean maybe you could help us out a little bit with this thing. It's a fantastic opportunity. We expect a huge ROI [return on investment]. It's going to put Saskatchewan on the map nationally and internationally. It's going to give us incredible profile. These are the kinds of opportunities you could never afford to buy with any advertising budget. So it's a fantastic thing. Are you interested in helping us? And what Tourism Saskatchewan felt obliged to reply at the time was, we're not actually in the events business. We believe that's outside of our mandate. And I can understand that, and we're certainly not here to criticize. It's a good organization that does a lot of good work.

But on sober second thought, we were thinking, you know what? Events as a group is a huge part of our tourism industry.

As I'm fond of telling people, you know, we kind of missed out when they were passing out great lakes. I don't know, we might have been out of the room having a coffee or something when they were talking about who wants mountains. We didn't get a lot of scenic ocean coastline.

But you know, there is something that we can do better than anybody else in the country and we know that to be the truth. We do events better than anyone. A lot of it has to do with the incredible volunteer base that we have in this province. And as Statistics Canada said just a short while ago — I think it was a couple of weeks ago, Mr. Chair — once again Saskatchewan is statistically proven to have more volunteers than any other province in the country. Well that's our strength. Let's build on that strength.

What can volunteers do? Volunteers can create amazing events. If you were, for example, a national or international sporting organizations like IIHF or the Canadian Curling Association, just to pick a couple that are top of mind at the moment, you couldn't do any better than to just simply say, let's take our event to Saskatchewan. There, hit the Staples' that was easy button. All of the tough part has been done. You'll just let that organization look after it. It will run flawlessly. It will be an incredible success in every way. It will make a lot of profit, and it will be one of the most successful events you could ever possibly imagine. All by just simply saying, let's take that event to Saskatchewan.

It doesn't make sense from our government's perspective, or anybody in business I can imagine, that our overarching tourism organization is not in the events business. By gosh, I think they ought to be. And that will change right now. That is something that will be different.

We want to make sure that Tourism Saskatchewan is intimately involved with understanding and supporting wherever possible all of the major events in major communities like those briers, like the Scotties, like the world men's and women's curling championships, like the IIHF, like all of these things, like a Grey Cup, like major cultural events, like the Canadian Country Music Awards that are coming, and the Junos, and the North American Indigenous Games — all of these sorts of things.

But there's another whole dimension. All you'd have to do is ask some of the folks in tourism, these DMOs, the destination marketing organizations. They're very quick to point out it ain't all about Saskatoon and Regina. We have hundreds of smaller communities of all sizes all over this province. Each and every one of them can be an incubator for very successful events, even at a modest scale.

Tourism Saskatchewan can and will make this following change: it will be more focused on mentoring, in taking the ideas that people in the smaller communities have and helping grow them into successful events. There might be some financial support. There certainly could be some business development support — how do you find financing for these things? What kind of a volunteer base do you need? What sorts of jobs and assignments should they undertake? How do you pull all this stuff together and create a first-class event that puts your community on the map and makes it different than other communities? How do you continue on into the future and grow

the event so it is not only an initial success, but it becomes viable and sustainable in future years as well? All of those sorts of things need to be addressed and they will be.

Here's another change. We need to recognize that events are not just sports events and cultural festivals, as important as they are in whatever size range. There's also foreign students and immigrant families that we need to attract and talk to. You know, if we want these people to come and find out what's going on in the province and make a decision to stay here, then you know what, we think that Tourism Saskatchewan has a role to play. Let's get these folks involved so that they can take some of these individuals and their families under their wing, show them what Saskatchewan has to offer. It's about quality of life. People that come here for a job opportunity can be convinced to stay if they see the kind of quality of life that we enjoy in our province. That's the job of Tourism Saskatchewan, we would say. It may not be today, but that will change because we think that needs to be a priority.

And last item on that particular thing, Mr. Chair. There are all kinds of conventions, both business and academic, and we need to know that Tourism Saskatchewan will be mindful of those sorts of priorities and help the DMOs in attracting these particular events and making sure that the best possible visitor experience is offered to all of our guests. That is another change that needs to happen. It needs to be partly the purview of the DMOs. There's no question about that. And nobody can do it better at the local level than the local people themselves. But to the extent that we can, as a government, assist people either with business mentoring, a couple of dollars here and there where it's appropriate and applicable, we need to make sure that Tourism Saskatchewan is at the table and is undertaking those sorts of assignments as well. So there, in brief, a new focus on events of all different kinds. We want that to change.

[20:00]

The next thing that we want to talk to very briefly, because we are mindful of the clock, Mr. Chair, better alignment with other government economic development initiatives. You know, Agriculture is trying to sell our economy to countries all around the world. As the Premier has said on many occasions, you can boil down what the rest of the world needs into two things. They need food security; they need energy security. And Saskatchewan happily can offer them both. We have tremendous capacity to create crops and new crops even. I mean 30 years ago there wasn't even a pulse industry. Today half of Canada's entire foreign trade with three countries in Asia — India, Bangladesh, and Pakistan — is pulse crops almost entirely grown in the province of Saskatchewan. That's the power of our agricultural industry.

So with that in mind, we want to make sure that when they're at the table talking about economic development initiatives and energy and resources is there and immigration is there and all the other ministries, we want to make sure that Tourism is there too. They have their priorities. They have their needs. What about building roads to a potash mine? It makes sense to me. How about building roads to a new canola crushing plant? Excellent idea. How about building a proper road from a main highway a few kilometres back into a provincial park or a tourism destination? That should be a top priority and should be

debated at the table on an ongoing basis.

I, as a minister, can bring those sorts of things to people's attention on an occasional basis. But where the real results are going to happen, Mr. Speaker, where the rubber meets the road, is when we have a deputy minister or a Crown corporation president at the table talking about this every single day. It becomes part of the conversation. It becomes part of the culture. It becomes part of the decision making process. The industry deserves that sort of a focus, and it's going to get it. Thank you, Mr. Chair.

Ms. Sproule: — This is a point of order, Mr. Chair.

The Chair: — What is the point of order?

Ms. Sproule: — That the minister should answer the questions that are put before him and not filibuster. We'd appreciate moving on with some proper answers here, please.

The Chair: — Mr. Stewart.

Mr. Stewart: — I think the minister is doing a terrific job of answering the questions in detail. If the minister was not answering in such detail, the complaint would be that they weren't getting enough detail. I encourage the minister to answer the questions in full. I think that's only proper. The opposition and the public deserve full answers. Thank you, Mr. Minister.

The Chair: — I've heard the point of order and I've heard the response. I think in setting up a Crown corporation and going into the great detail of what it takes to set this up and with the consultation and the detail that goes into it, I would find that the detail is in order and we will proceed. Are there other questions, please?

Mr. Vermette: — Thank you, Mr. Chair. The Crown corporation . . . And I've asked you this I think in previous. And your comments . . . And I want to, for the record, be very clear on this. You said the board of directors that are currently sitting on Tourism Saskatchewan will be the board members that take over the new Crown. And how long will they be appointed to that new Crown for?

Hon. Mr. Hutchinson: — Once again, Mr. Chair, we thank the member for the question. We need to correct him however. At no time did we suggest that the current board of directors for Tourism Saskatchewan would continue indefinitely into the future. In this case, as is typical with the creation of any Crown corporation, it is in fact the Lieutenant Governor in Council which establishes the board members.

Having said that, we want to make sure that a number of clear priorities are addressed. The first one is to make sure that we work closely with the existing board during the transition period, during that period from when we made the announcement of the establishment of a Treasury Board Crown to come and the date that that actually becomes effective. We want to make sure that we work very closely with the board to ensure that the transition is as seamless as possible.

Second thing is that we of course, in order to do that, will have

to maintain open lines of communication with the board members, and we're endeavouring to do that to the fullest extent. So far I'm very pleased to report, Mr. Chair, that we've had excellent discussions with the board members, and we found that we share our priorities. They have suggested, and we have agreed 100 per cent with them, that we need all to work towards the best interests of the tourism industry in this time of change. Having said that, we are continuing our discussions. We are looking at all the technical challenges, resolving them on an ongoing basis, and have involved the board very fully in the discussions. So we're pleased with the process and we're delighted with the engagement of the board and their full support for moving ahead as closely as possible in a strong partnership towards meeting the needs of the tourism industry, keeping that as our guiding light.

Mr. Vermette: — At this time, Mr. Chair, my colleague has a couple questions she'd like to ask.

The Chair: — The Chair recognizes Ms. Sproule.

Ms. Sproule: — Thank you, Mr. Chair. If I understood the minister correctly, he said that they will not be continuing with the current board for this particular transition. I just have a question about that and the government's priorities, because in Bill 39 you're also creating a new board, the Financial Services Commission Board. There's a new Crown being created, a new Treasury Board. And in that Act, in section 46, there actually are provisions to continue the same board and the same chairperson, vice person, and executive director. So that's completely contrary to the approach that Tourism Saskatchewan is being treated.

Can you explain the difference in approach between Tourism Saskatchewan's treatment of their board and the treatment of this board in Bill 39?

Hon. Mr. Hutchinson: — Thank you once again for the question, Mr. Chair, but we need to correct the member. We will in fact be continuing with the current board for the transition. We have never said that we would not. And at this point, I think it's very appropriate for me to offer our sincere thanks to members of the board for offering to continue in that capacity. We've had some excellent discussions. They are mindful of the fact that any kind of change will require significant discussion, especially with respect to technical details. And they have undertaken as a group to keep fully engaged. We are very, very thankful for that.

As to the composition of the new board which will be established by Lieutenant Governor in Council at some point in the near future, that particular issue has not yet been addressed, and no decisions have been made. One of the possibilities that we need to be mindful of is the possibility of reappointment of some of the existing board members. Again no decisions have been made, but that remains a possibility and especially if it would help provide the proper sort of representation in terms of skill set, experience, and understanding of the industry needs. Again those decisions have not yet been made, but continuation of some of the board members is a possibility to consider.

[20:15]

We know that the board is already interested in significant change. It's an old-style board that is based on sector representation. And they themselves as a group have seen some significant limitations. That's something which was chatted about in the recent tourism review as well. And they themselves have recognized — you know what? — we need to do something a little bit different. What they wanted to do was to transition to a new model that's based on skill set, somebody who can offer qualified legal advice, somebody who can offer qualified financial advice, those sorts of things.

In order to do that in any sort of significant way, it seems clear that there's a distinct possibility that you would have to open up the Act and change it in some way. So by changing this organization to a Crown corporation with brand-new legislation, we can actually address that very specific need that they themselves have brought to our table for consideration. So we think it's not only a good model but a great opportunity to address the change that they themselves wanted to undertake as a board.

The Chair: — Mr. Vermette.

Mr. Vermette: — Thank you, Mr. Chair. Going into it, I want to . . . And I've asked this question and I want to be very clear on it so there's no . . . For the record, I want to be very clear. The current CEO and staff of Tourism Saskatchewan currently that are employed by Tourism Saskatchewan, the CEO that is employed by the board and the employees, will they all be retained with the new Crown corporation as the CEO and as the staff that's currently there right now?

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Well as the member will be aware, the vast majority of the staff that currently work at Tourism Saskatchewan are members of SGEU [Saskatchewan Government and General Employees' Union], and of course all aspects of the existing collective bargaining agreement will be carried forward in its current form. There won't be any changes there of course. Now with respect to the agreements with most of the out-of-scope employees, no changes are anticipated there as well.

That leaves one particular position, and that's the CEO's position. Now the legislation that we've tabled specifically indicates that this appointment will be made by Lieutenant Governor in Council. And obviously no decision can be made about that until a later date in time.

We should also note that the transition team — and that includes good people from Tourism Saskatchewan and some of the folks from our ministry and led, as we mentioned before, by Mr. Dueck here — are working very closely together on making sure that all of the good folks that work in Tourism Saskatchewan understand that these things will be carried forward intact so that if you are an SGEU member and you're wondering, do I still have a job? Do I still have an office to go to? Are things changing, or are things going to stay the same? We understand that those would be the concerns expressed by a number of people in any kind of a situation where significant change is being contemplated. So we're very happy to be able to assure those folks that things will in fact remain the same, and the transition team is working diligently to communicate that. So we're satisfied with the process, and the results have

been very heartening to date as well, Mr. Chair.

Mr. Vermette: — Thank you, Mr. Chair. Will Tourism Saskatchewan continue to receive a subsidy like STC [Saskatchewan Transportation Company] as a Crown? Will it continue to, or will you be asking the new Crown to generate its own revenue? Or will it be . . . What is your business plan when you look at that side of it?

Hon. Mr. Hutchinson: — Thank you again for the question, Mr. Chair. Well as we mentioned before, Tourism Saskatchewan's budget used to be \$8 million four short years ago, and we've increased it by a full 50 per cent to \$12 million or \$12 million thereabouts.

Our budget for 2012-2013 carries that amount forward for the coming year. So Tourism Saskatchewan already knows what the budget is going to be. What we also need to mention, Mr. Chair, is that every jurisdiction in Canada provides some sort of a budget for its provincial tourism agency. That's what we're doing now, and we certainly don't see that changing in the future.

Mr. Vermette: — Thank you. In the Bill itself, if you look under I guess the Bill itself, 29(1), that section:

In this section, “**former Act**” means *The Tourism Authority Act* as that Act existed on the day before the coming into force of this Act.

(2) [Very clearly] On the coming into force of this Act:

(a) those persons who were members of the authority or members of the board of the authority on the day before the coming into force of this Act cease to be members or members of the board.

So that's very clear then. Correct? And I want . . . Can you clarify that, exactly what that clause means?

[20:30]

Hon. Mr. Hutchinson: — Thank you for the question, Mr. Chair. Well the language that's used in the Act in this particular section here talking about board appointments and tenure is very typical. What the legislation seeks to do, as it does in all these sorts of cases, is to ensure that there is no lapse between the authority of one board and another nor are there overlaps. You can't have two boards having purview at the same time. You need to simply specify a particular end date for one board, and that becomes the starting date for the activities and the authority of the next board. This is very typical for legislation of this kind actually.

Mr. Vermette: — So to be clear with this section then, when this Act comes into force, it would be very clear that those board members will no longer act on behalf of Tourism Saskatchewan, or they may under the Crown, the new Crown. Correct?

Hon. Mr. Hutchinson: — We can answer that one directly without any consultation, Mr. Chair. As we mentioned before, that is true, but it doesn't prohibit board members that are

currently serving from being reappointed as part of the coming board. Those are decisions which have yet to be made. And those are, as we mentioned before, you want to look at experience of the existing board members, the skill sets that they bring to the table, and their understanding of the needs now and into the future of the tourism industry. So those considerations will come at a later date in time. And it is certainly possible that some of the people that are currently serving may be asked to serve on the new board as well. Those are decisions for a later date. No decisions have been made in that regard at this time.

Mr. Vermette: — Okay. At this point I think it's very clear and we've got the answer to that. I think everybody can from your comments make it very clear, can all understand that they will not exist, and we understand that. Some may come forward if they wish to put their name. But even if they put their name forward, they may not be selected in that process. It's optional. That's what you're saying.

Hon. Mr. Hutchinson: — Well again we can quickly address that one, Mr. Chair. At this point in time it's impossible to be very specific about it except to say that the possibility exists for some of the current members to be invited to serve on the new board. Their authority as an old board must cease to exist on a specific date so that we can then equally specifically define the beginning of the authority of the new board. That new board may or may not include some of the existing members. If some of them are interested in serving on the new board, we would welcome their interest and certainly consider it. We would want to look at their resumé's as part of a review process where other potential members are being considered. And again the skill set, the experience, the knowledge of the industry, and especially its needs going into the future would be part and parcel of that consideration process.

Mr. Vermette: — Now that, and we go . . . Once it's a Crown corporation — and we know we're moving that way and that's the wishes of the government — what are their revenue expectations under the new Crown and the board? What would be the expectations for resource revenue coming into the new Crown?

Hon. Mr. Hutchinson: — Thank you again for the question, Mr. Chair. Well I can really only offer the answer that we offered before. As we mentioned, in years past the budget provided by the government of the day was about \$8 million. We decided to increase that dramatically. A full 50 per cent increase has been provided, so the budget today is approximately \$12 million. That's what's included in the 2012-2013 budget document. So going forward, the new Crown corporation will have the same budget that Tourism Saskatchewan as an arm's-length agency had every right to expect. Going forward into the future as we mentioned before, Mr. Chair, every jurisdiction in Canada provides a budget for its tourism agency, whether that's a ministry or whether it's a Crown corporation. That's exactly the same model that we'll be following. We see no need or interest in changing that model. That's the way it is.

Mr. Vermette: — Thank you, Mr. Chair. At this time, my colleague has a couple of questions.

The Chair: — Ms. Sproule.

Ms. Sproule: — Thank you very much, Mr. Chair. I just wanted to follow up and make sure that the record is very clear here. I believe the minister has not given consistent answers in terms of how the board, on the day the Act comes into force, will exist. And I would like some clarity from him because he's given inconsistent answers on that.

Under this Bill, it's clear that the current members of the authority and members of the board will cease to be members of the board of the new Crown corporation. So on the day the Bill comes into force when it becomes an Act, what is it in this new Act, in Bill 37, that tells us who the members of the board will be? Or is that something that will only take place once Lieutenant Governor in Council passes an order in council based on the criteria that the minister mentioned earlier?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. Well you know, we respectfully disagree with the opinion offered by the member. We firmly believe that our answers have been entirely consistent. It's a very simple proposition, and let us be clear, and we'll state our case once more: the existing board continues until the establishment of the new board. At that date which will be specified, the authority of the current board ceases, and the authority of the new board begins. It's really as simple and as clear as that. So I believe that our answers in that respect have been entirely consistent right from the get-go, Mr. Chair.

Ms. Sproule: — Thank you, Mr. Chair. I guess we will have to agree to disagree on that because to me this clause is very clear: on the coming into force of this Act, those persons who were members of the board cease to be members of the board. The language is plain and clear. And the answer the minister gave is inconsistent with that, for the record. And the record will prove that.

My question is, why is it that this government, two Bills later in Bill 39, in the financial and consumer's affairs authority Act says, those persons . . . In section 46(1):

Those persons who were members of the commission on the day before the coming into force of this Act:

(a) constitute the members of the authority and members of the board.

Clearly the language suggests there that that board will continue from the Saskatchewan Financial Services Commission, which is a commission similar to the Saskatchewan Tourism Authority, and then we are now creating a new Crown.

In Bill 39, the government's introduced a new Crown called the Financial and Consumer Affairs Authority. The language of section 46(1)(a) of that Act clearly indicates that the board members will continue, and the members of the commission will continue to be members of the new Crown board; whereas in section 29(2)(a) of *The Tourism Saskatchewan Act*, they will no longer be members of the board.

And for the record, I'm stating the language is clear on those two sections. And if the minister cares to respond and explain how he's reading into what is very clear and plain language

something that's entirely different, I would appreciate it, but that's up to the minister to answer that question. I have another question further to that once the minister can decide if he wants to respond.

Hon. Mr. Hutchinson: — Well we can address the first question very easily and quickly, Mr. Chair. Everything that we've said about the appointment of the new board and the discontinuance of the current board has been entirely consistent. We've said one thing again and again and again, and that is that in the legislation, it requires that the authority of the existing board continues until a certain date and then at that point it discontinues. And so that there are no overlaps and no gaps, that is the precise time when the authority of the new board begins. It's as simple as that.

I think the member is talking about another situation where the intention is that the existing board members continue in the new commission board. Fair enough. That's a different piece of legislation, applies to a different situation. She may want to address those questions to the minister responsible for that particular Act. It isn't me. What I can speak to is this particular Act, the one that I am responsible for.

So I think I've made it abundantly clear, Mr. Chair, that we have a piece of legislation which says that the current board exists until a certain point in time. They exercise authority until that date. Their authority ceases on that particular date, and the establishment of the new board comes into force on that date and thus the initiation of their responsibilities and their authority. And there is certainly the possibility that some of the board members that currently serve may serve on the new board. That's a possibility. But none of those decisions have been made, as we've said many times, Mr. Chair. Thank you.

Ms. Sproule: — I'd like to thank the minister for putting that on the record. My last question is in relation to destination marketing organizations. I am involved and have been involved with a DMO that is not in the urban centres — in fact it's in northern Saskatchewan — and to date, as I understand it, it's been quite successful. It's in relation to the Prince Albert National Park and some tourism operators on the west side of the Prince Albert National Park.

Now earlier the minister alluded to the fact that these were all urban. And I'm not sure if he's aware of the work of this particular DMO on the west side of the Prince Albert National Park. But certainly the members of that DMO have expressed concerns about the decisions this government has made in relation to the Tourism Authority. And I just wanted that on the record as well. And I'd like to ask the minister if he's aware of the work of that DMO and their support for Tourism Saskatchewan.

[20:45]

Hon. Mr. Hutchinson: — Well, Mr. Chair, we are indeed aware of the destination marketing organization, or DMO, that the member references. And of course we're aware of the good work that they're doing. And we should put on record that there are a number of emerging destination marketing organizations. This is one of them, but there's some others. Here's a couple of examples to consider.

Lake Diefenbaker destination area, there is an emerging DMO there with all of the attractions and things that are going on in that area. And there's another one that's emerging in Cypress Hills as well. What we want for the new Crown corporation to do is to consider the understanding of what's going on at the DMO level regardless of size, regardless of location, regardless of composition, and the support, in every way that's deemed appropriate, as a top priority for this new Crown. We want to make sure that all of these things are actively under consideration by the Crown.

Now if the inference in the member's comments are that we're mostly interested in larger urbans and we don't have an interest in what's going on in smaller areas, we did carefully use the word municipality in our comments. Now, Mr. Chair, municipality can mean almost everything that you can . . . Well you read a lot into it. Here is what I read into it.

We have 800 municipalities, nearly 800 municipalities in our province. That ranges from two major cities of well over 200,000 a piece to unorganized hamlets and RMs which are absolutely at the other end of the spectrum. In no way should our comments be considered as supporting major events for major communities only. In fact I think I was very specific in mentioning that smaller events in smaller communities ought to be an equal priority, and they will be.

We will direct the corporation to make them a top priority because we see — as our friends in the tourism industry have advised us — great potential for smaller communities and smaller events. They are just as important in building community pride, in creating jobs, and in putting communities on the map as the larger events for larger communities are. It will be a top priority for this new Crown. We will ensure it.

Ms. Sproule: — Thank you for your . . . the minister for his comments. I believe your earlier reference was to DMOs in Saskatoon and Regina, so I just want to ensure for the record that there are other active DMOs in the area and certainly paying fees into a marketing organization and are quite active and healthy in the province. I have no further questions at this time, so I'd like to turn it back to my colleague.

Mr. Vermette: — Thank you, Mr. Chair. The Finance minister said, "There will be greater influence by government in terms of ensuring that they co-ordinate everything that's going on in the province." Could the minister expand on the government's plan to provide greater influence?

Hon. Mr. Hutchinson: — Thank you, Mr. Chair. We thank the member for his question once again. Well we do recall that in the House during adjourned debates, if I remember correctly, the member has alluded to the possibility, suggested that perhaps what the government wants to do in creation of this tourism Crown is to get a hold of Tourism Saskatchewan's budget and use it for its own communication agenda rather than the, you know, the needs of the industry itself. Nothing could be further from the truth. That's actually a ridiculous assertion.

We increased Tourism Saskatchewan's budget over the last four years for a very simple and obvious reason. We feel that the NDP [New Democratic Party] undervalued Tourism Saskatchewan historically. We thought it was time to change. It

was all part of a concerted effort to meet a campaign promise. We said in 2007, folks, if you elect a Saskatchewan Party government, here's one thing you can count on. We believe in the tourism industry. We think it's worth a larger investment. We will double the provincial government's current investment in the tourism industry.

And we've met that commitment and actually exceeded it. Here's how we did it. We put 250 per cent more money into parks' capital. We increased Tourism Saskatchewan's budget by a full 50 per cent, and we've made other investments consistent with that promise. And as I said, Mr. Chair, we've not only met that promise, we've exceeded it.

Why did we put more money into Tourism Saskatchewan is really the essential question when it comes to budget. Because we felt it was appropriate to increase their budget so they could do more work to support the interests of the industry in Saskatchewan. With that in mind, why are we changing to a Crown corporation? What changes in the way of influence are we thinking about? Well here's what we are intending. Let's make our intentions clear. There are three of them.

We want to see an increased focus on events, events of all kinds, events of all sizes, events in communities large and small, all over Saskatchewan — north, south, rural, and urban. We want to do that because it's a huge part of tourism industry, and we think the industry will be better prepared for growth if Tourism Saskatchewan has events as a clear priority. That's one of the things that we would like to influence.

The second thing that we would like to influence is the following: better coordination with our provincial park system. Yes, events is a huge part of the tourism industry. So are the provincial parks. The figures speak for themselves. And as I said, Mr. Speaker, the facts speak plainly for themselves. We have increased the capital budget for our provincial parks systems by two and a half times what the former government was spending. Why? Because we think that's a priority. And we want to make sure that that investment is protected. We want to make sure that Tourism Saskatchewan understands the priority that we place on provincial parks, the importance of the park system within our tourism industry. That's something we want to influence.

The third thing that we want to influence, as we mentioned before: better alignment with the ministries of this government with respect to their economic development initiatives so that their needs are top of mind with the other ministries, and what the other ministries are doing is properly understood and coordinated with respect to the tourism Crown. That better alignment, that better coordination, that ongoing communication we think has a lot of power. We think that it, once again, will position the industry better for growth.

And we want to see this industry grow and reach its full potential, its 1.7 or so billion dollars, today. It could be a lot more than that in the future, and we want to see this industry reach that next level of performance. And yes, we want to influence that outcome in the three ways that we just mentioned, Mr. Chair.

Mr. Vermette: — Thank you, Mr. Chair. And I guess

concluding my questions that I have, I want to make a closing remark. I guess I have a few minutes left here. I just want to close with this. To Tourism Saskatchewan, as an MLA [Member of the Legislative Assembly], and I know the official opposition, the nine members over here are not happy with the way this was done to Tourism Saskatchewan. To the board, to all the partners, to the CEO, we apologize as the nine members over here the way they were treated by this government and the way the handling of the Crown corporation.

Very clearly we've talked. And we'll go back and forth about the review and talk about legislation. We'll go back and forth. But at the end of the day, the government had the decision, and it's made its decision. It's going to go ahead. It picks and chooses what it wants to control and have more control of.

But at this time, Mr. Chair, I'd just like to say to the committee members, thank you, for the Chair and to the minister and his officials for giving us the opportunity to question the Bill and do our due diligence, which we've tried to do to make sure we flush out concerns. But thank you for answering the questions that you did. It's unfortunate again that it went on some length to get some of the answers. But we're happy to say we've done all we can as the official opposition to hold the government to account on Bill 37, Tourism Saskatchewan. So at that, I guess on that note, I will say thank you, Mr. Chair, for allowing me to ask the questions.

The Chair: — Thank you, Mr. Doyle. Mr. Minister, did you want to respond to that at all? Mr. Tochor.

Mr. Tochor: — So what are the main benefits for the industry with the change in governance?

[21:00]

Hon. Mr. Hutchinson: — Well, Mr. Chair, we thank the member for his question. It's a good question. We're happy to be able to answer it. It's a welcome opportunity. I'll go back to what we said about our intentions. And, you know, influence obviously can have negative connotations, but what we look at is a positive environment for change, a change that will, as we said before, will better position the industry for growth. Really that's what it's all about.

If you can boil down the agenda of this particular government in a sentence or so, it will be about growing the economy and growing the population. And as the Premier said many times, growth but not for growth's sake. No, growth for what you can do with the results. With more people and more businesses in here, even at lower tax rates — the lower tax rates that we've been pleased to establish — there are more government revenues available to build hospitals, build schools, build highways, create a better social service network, provide more and more accessible health care, and, in this particular case, build a stronger, more vibrant, more sustainable industry for tourism.

For too long, our approach to tourism, we believe, has been disjointed. They've been too far away from the centre of decision making, the centre of decision making that includes, by definition, the Ministry of Highways, the ministry that looks after immigration, the Ministry of Agriculture, the Ministry of

Energy and Resources. Only through the establishment of another ministry into which these activities can be absorbed, or a separate Crown corporation led by a Crown corporation president, can you actually have that clout, that presence, that *gravitas* at the table. We want to make sure that all of the decisions that will affect the tourism industry, made by other groups within government, are made in the presence of those tourism people so that they can speak on their own behalf. That, I guess in substance, is the influence that we would like to wield here.

In particular, as we mentioned before, we want to make sure that the tourism Crown looks at events as a top priority. We want to influence that in a positive way. It's an enormous part of our industry. As we said, it's festivals. It's sporting events. But it's also a whole lot of other things. It's academic and business conferences, and it's wonderful new events that are springing up in small communities all over rural Saskatchewan, some of which the member is familiar with, and there's tons in other areas that we could mention if time only permitted.

We also want to make sure that we influence the new Crown corporation to consider provincial parks as a very top priority. That's a huge component of the industry that I don't think is fully recognized within the current mandate of Tourism Saskatchewan. But I think that's going to change.

And the third thing, as I said before, that better alignment with what's going on in other ministries so that the tourism industry has a full voice at the table when those decisions are being considered and made. That's what we think are going to be the benefits to the tourism industry and the economy as a whole with this change in government from an arm's-length agency for tourism to a Crown corporation for tourism. Thank you, Mr. Chair.

The Chair: — Thank you, Mr. Minister. Mr. Minister, thank you and your officials. This being after 9 o'clock, we have now reached the allotted time for the consideration of Bill No. 37, *The Tourism Saskatchewan Act*. I will now adjourn the consideration of Bill No. 37, *The Tourism Saskatchewan Act*. I would ask a member to . . . unless you had some closing remarks, Mr. Minister?

Hon. Mr. Hutchinson: — None other, Mr. Chair, than to thank the members for their interest and involvement in this interesting debate.

The Chair: — My apologies. I should have done that first. We will now adjourn the consideration of Bill No. 37, *The Tourism Saskatchewan Act*. I would ask a member to move a motion of adjournment. Mr. Stewart. Agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This meeting is adjourned until . . . This committee is adjourned until tomorrow at 7 p.m. Thank you.

[The committee adjourned at 21:04.]