



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Mr. Tim McMillan, Chair
Lloydminster

Mr. Buckley Belanger, Deputy Chair
Athabasca

Mr. Denis Allchurch
Rosthern-Shellbrook

Mr. Fred Bradshaw
Carrot River Valley

Mr. Dan D'Autremont
Cannington

Mr. Warren McCall
Regina Elphinstone-Centre

Mr. Randy Weekes
Biggar

[The committee met at 19:55.]

The Chair: — Well good evening. I would like to welcome everyone to this meeting of the Standing Committee on Crown and Central Agencies. I am the Chair, Tim McMillan. With us tonight we have Mr. Weekes, Mr. Allchurch, Mr. Bradshaw, and Mr. D'Autremont. We have Mr. Yates substituting in for Mr. Belanger; Mr. McCall and Mr. Wotherspoon.

Tonight we have three Bills that we will be discussing. The first is with the Minister of Finance, Bill No. 120, *The Financial Administration Amendment Act*. We will also be discussing Bill 141, *The Business Statutes Administration Transfer Act* and Bill 142, *The Business Statutes Administration Transfer Consequential Amendments Act, 2010*.

Bill No. 120 — *The Financial Administration Amendment Act, 2009*

Clause 1

The Chair: — We will begin with Bill 120. We'll have our general discussion on clause 1 and then move through the clause by clause. Before we begin, I would ask our Minister of Finance to introduce his officials and if he has any opening comments.

Hon. Mr. Gantefoer: — Thank you very much, Mr. Chair, and committee members. Thanks for the opportunity to have this discussion this evening. With me tonight is, to my left, Doug Matthies, the deputy minister of Finance. And behind the bar, Dick Carter, the chief of staff to the Minister of Finance.

I just have a very brief comment, as by way of opening, to illustrate that this intent of this legislation is to increase the accountability of government to demonstrate that taxes collected for road use are being spent for road improvements. In the current fiscal year, the only item we anticipate bringing forward regulations for would be to exclude the assistance in the Highways budget for short-line railways. This does not reduce short-line expenses, it just says that you can't count for purposes of comparing road tax revenues to road expenditures, so that this makes the requirements of the legislation that was initially adopted in 2006-07 by the previous administration more strict in terms of the definitions.

I am open to questions.

The Chair: — Mr. Wotherspoon.

Mr. Wotherspoon: — A question here just as it relates to the — and thank you, Mr. Minister, for coming before us here tonight and your officials — as it relates to the eligible spending within this legislation. The minister has just mentioned that it excludes short-line rail-line spending. Would other . . . I guess, what's the list of what is allowable within this legislation?

Hon. Mr. Gantefoer: — Currently what is calculated is everything that is expended in the highways budget except for airports, for executive management, and for federal flow-through. So this would add, short-line potentially in regulations would add, as an exclusion, would be expenditures

for short-line railways. So it actually makes the definition stricter, if you like, in terms of making sure that the fuel tax is applied to the actual road expenditures.

Mr. Wotherspoon: — Just to clarify, airports aren't an allowable expense? They're excluded as well as any of the . . .

Hon. Mr. Gantefoer: — Administrative, federal flow-through and, under regulations, short-line railways would be added by this amendment.

Mr. Wotherspoon: — Specifically as it relates to the statement made around the requirements that are now going to be in place for public accounts and reporting under this legislation as it relates to road-use tax revenues and eligible highway spending, what exactly are we looking at here? When will we comply with this? When will we see this in a public accounts document? And what will the process look like to change reporting so that we can bring about this information?

Hon. Mr. Gantefoer: — In this legislation the coming into force is effective for April 1st, 2009, so that we could actually use this calculation for the '09-10 public accounts.

Mr. Wotherspoon: — So in the '09-10 public accounts that will be published, compliance with this legislation will be in place; the reporting that's described will be in place?

Hon. Mr. Gantefoer: — That's correct.

Mr. Wotherspoon: — Describe the process that was undertaken to be able to report that information. Was that information readily available or was that a significant exercise for Finance officials?

Hon. Mr. Gantefoer: — On page 96 of the '10-11 estimates, there's a line item on short-line railway sustainability program under the Highways and Infrastructure budget. So that's already accounted for. Under this process, that expenditure would be excluded.

Mr. Wotherspoon: — Thank you. Just looking, just looking back a few years ago, of course many of these changes were made under the previous New Democrats making sure that those dollars were dedicated to highways. This legislation aims, I guess, to improve sort of the accounting on that front and making sure the public knows that that's being done, something that's been done for quite some time.

But one of the statements at that point in time from the Saskatchewan Party in their . . . The title was, *The Way Up: "Potholes to pavement, rebuilding our highways,"* a document that was, at that time I think, it's part of a campaign piece of literature. But one of the suggestions here, one of the promises by the Sask Party was, I quote:

Demanding the federal Liberal government match our funding commitment. If the federal Liberals live up their responsibility for our two national highways, twinning could be completed in four years rather than eight.

Now of course we have to remove the word Liberal government

there now at this point in time, and we can insert the word Conservative government. My question would be, how has the federal government of the day, regardless of political stripe, come through with this commitment that was an expectation from the Sask Party?

Hon. Mr. Gantefoer: — I think, member, we could spend an entire evening having a discussion and debate about the Highways budgets. This is not our intent. The intent of this legislation is to make sure that the accountability that was envisaged when this legislation was originally passed is appropriate to ensure that governments of any stripe going forward in the future are dedicating the entire fuel tax to the actual construction of roads that people drive on. I certainly recognize the value of the legislation, and this is clearly an attempt to make it more accountable and transparent in terms of those expenditures.

Mr. Wotherspoon: — Well I think that's a fair comment, and I think this is, certainly does apply to maybe estimates within Highways and Infrastructure, and a good question just to see where we're at with, as it relates to those kind of funding commitments at the federal government's level. But as it relates to Bill No. 120, I don't have any other questions at this point in time.

The Chair: — Are there any more questions or comments from committee members? Seeing none, we will proceed with the votes on the clause by clause. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 and 3 agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 120, *The Financial Administration Amendment Act, 2009*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would ask a member to move that we report Bill No. 120, *The Financial Administration Amendment Act, 2009* without amendment.

Mr. Weekes: — I so move.

The Chair: — Mr. Weekes has moved. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. With that, I believe that this is the only Bill with this minister. So thank you very much for answering our questions today.

Hon. Mr. Gantefoer: — Thank you, Mr. Chair, and thank you to committee members.

The Chair: — The committee will recess momentarily while the next minister and officials come to the table.

[The committee recessed for a period of time.]

Bill No. 141 — *The Business Statutes Administration Transfer Act*

Clause 1

The Chair: — Well I'd like to welcome everybody back to this meeting of the Crown and Central Agencies. We are now with our Minister of CIC [Crown Investments Corporation of Saskatchewan] to discuss our second Bills. We're going to be discussing Bill No. 141, *The Business Statutes Administration Transfer Act*. We're also going to at the same time be discussing any issues that will surround Bill 142, *The Business Statutes Administration Transfer Consequential Amendments Act, 2010*. With that, I would like to welcome the minister and to ask her if she has an opening statement, and to also introduce any of her officials that have come with. And we will follow right into questions with clause 1.

Hon. Ms. Draude: — Thank you very much, Mr. Chair. And good evening to you and to the members of the committee. Joining with me tonight from Information Services Corporation, I have Kathy Hillman-Weir. She's the general manager of the corporate affairs and general counsel. I have Deb Pacholka, who's the assistant general counsel. And from the Ministry of Justice and Attorney General, I have Doug Jameson. He's the deputy director of corporations branch.

And we'll be talking about both of the Bills. And I'm going to just give just a few opening remarks on the Bill. I believe that this is a very important and exciting Bill, and one that I know the opposition has made some very positive remarks about. And I think it's an opportunity to tell the people in the province about a Bill that I believe is going to have an incredible impact on the business community here in Saskatchewan.

So I'm just going to briefly outline what we're doing. The Bill actually outlines the legislative requirements that's going to allow the transfer of responsibility for the administration of the corporations branch from Justice and Attorney General to ISC [Information Services Corporation], and it's going to happen in October.

Our government values the skills and the knowledge the corporation branch employees are going to bring to ISC. And I'm proud to tell you tonight that no current corporation branch employees will experience job losses as a result of this transfer, and both parties have already been working together to ensure that the transition is seamless.

Everybody knows that ISC's core business is registry services, and the corporations branch is a natural fit with it. The Bill is based on the similar transfer of legislation that was used to transfer to ISC the land titles and survey registries and functions, personal property registry, and the vital stats registry.

The proposed Bill will reflect the transfer of the corporations branch to ISC and transfer the powers and responsibilities to ISC to carry out and provide the structure for the administration and the enforcement of the transfer Bill, the business statutes, and any other legislation directing business.

The business registry service will allow new businesses to complete steps required to register a business on an easy to use online application. And it's going to be three registrations that will be allowed when we begin: first of all, to register a business through the corporations branch and then to register as an employer with Workers' Compensation and also to register for the provincial sales tax with the Ministry of Finance. And by the end of 2012, ISC will begin to expand the services beyond registration and will provide business owners with a single point of entry.

The corporations branch will serve as a foundation to new online businesses, business registration service, and subsequent business services portal. And it's going to make it a lot easier to do business in our province, and I believe that that is the goal of everyone in this room.

So thank you, Mr. Chair, and I will entertain any questions that the opposition has.

The Chair: — Mr. Yates has some questions.

Mr. Yates: — Thank you very much, Mr. Chair. My first questions have to do with the transfer from the current corporations branch to ISC. Will there be any increased costs or fees to businesses or consumers of the services?

Hon. Ms. Draude: — No. To the member, no there is no plan to increase any of these.

Mr. Yates: — Will there be any decreased costs in fees and services?

Hon. Ms. Draude: — I don't imagine there will be. That's not something that we're looking at at this time.

Mr. Yates: — Thank you. So the plan is, is it's a cost neutral.

Hon. Ms. Draude: — Correct.

Mr. Yates: — All right. You indicated that you have online services to sign up for sales tax and workers' compensation. Do you anticipate that those services will increase the number of employers signing up for workers' compensation and sales tax?

Hon. Ms. Draude: — I would image the business people in this province have to sign up for workers' compensation, and this would make it easier. I believe that this is what businesses have been asking for, and it's the right thing to do in the province.

Mr. Yates: — Thank you. The other night in estimates on Advanced Education and Labour, particular in the Labour section, I was somewhat surprised to hear the number of businesses that don't sign up for workers' compensation or sales tax payments. And so what I was putting the two sets of information together . . . is this an attempt to increase the total number of businesses that actually sign up for workers' compensation and that pay their taxes earlier in the process?

Hon. Ms. Draude: — To the member opposite, thank you. I imagine when someone opens or starts a new business, this is an opportunity to make sure that there's services available. This will also ensure that people have signed up, and I guess it will

work in that area. But I really believe that is an opportunity for businesses, and if it has the added consequence of ensuring that everyone is signed up with Workers' Compensation, well that's the right thing to do.

Mr. Yates: — Thank you very much. There's no disagreement there. I just was wondering if this was a planned structured change to deal with a problem that was identified by . . .

Hon. Ms. Draude: — To the member opposite, no it's not. What it is is an opportunity to make sure that businesses actually have an ease of working within our province. Saskatchewan is one of the last provinces, if not the last province to actually have a one-stop shop for getting a business started. This is an opportunity to make sure that we're doing it right and to be operating in a way that businesses find as friendly.

Mr. Yates: — Thank you very much. Is the new processes or new system going to expedite in any way and speed up processes for businesses?

Hon. Ms. Draude: — Yes, they will. I think maybe the member opposite is aware of this, but I've had people from ISC tell me that right now to start a business — for example maybe a restaurant in, I'll pick Yorkton — could take as many as 17 different application and permits, and maybe I could even add the word frustration to make sure that everything that you need to start a business in Saskatchewan is undertaken. So this is the first step in making sure that we are more business-friendly.

Mr. Yates: — Thank you very much. One of the particular problems that I've encountered in working and assisting constituents of mine is the processes that were previously available through the corporations branch, many small businesses had to use lawyers, or believed they had to use lawyers in order to undertake simple transactions such as registering the name of their business. And where I believe it's a \$50 fee, if you have somebody, a lawyer actually do that, undertake that on your behalf, it's a . . . [inaudible] . . . charge normally. And is this going to make it easier for small businesses to register business names?

Mr. Jameson: — Business names, as it stands right now, there are many individuals who I think with relative ease register business names and are able to do so without the assistance of a lawyer. I think that we find that most people that are using a lawyer are also using legal services for the incorporation process as well for specific legal and sometimes tax reasons.

I think the enhanced services will facilitate all individuals, lawyers and individual proprietors alike, to register not only business names but also corporations online. But it's still a relatively easy process, as far as I'm concerned, to register a business name for an individual to do on their own.

In fact I can't give you any percentages, but a large amount of the business name reservations and registrations that we have are from actual individuals as opposed to law firms. So I don't think people are necessarily using law firms or lawyers to register as a result of the complexity or the need, but more so because they're choosing to use lawyers for a broader business purpose.

Mr. Yates: — Thank you very much. In the new automated, more automated system, online system, will it be more user-friendly than in the past so that business people who have traditionally used lawyers, not understanding how easy the process really is . . . Because I have worked with many small businesses that once you show them how to do it, they'll never use a lawyer again. But if nobody ever . . . It was like they were learning something because when they first started their business up, they used a lawyer, then every time they had to renew, they were sending for a lawyer.

So what I'm wondering is, is the process going to be easier for somebody to know and understand what they can do themselves?

Hon. Ms. Draude: — Thank you to the member opposite, and that is exactly our goal. What we would like is business owners to be able to self-manage their online profiles and work in the online environment — not just for the immediate start-up of their business, but later on we're hoping be able to add permits and licences and remit taxes as this project goes forward.

This is really what we need to do, is to make sure that businesses can operate themselves and with the speed that they need to in the business world today.

Mr. Yates: — Thank you very much. Is the transfer and the moving forward on the computerized system going to result in fewer requirements or fewer levels of red tape over time?

Hon. Ms. Draude: — We definitely will be looking at all the necessary regulations that are in place at this time, and if there's a way that we can eliminate duplication, we will definitely be looking at it.

Mr. Yates: — Thank you very much. So as part of the transition there will be a review of business processes to look at whether or not they're all necessary?

Hon. Ms. Draude: — Yes, there will be.

Mr. Yates: — Thank you. That will conclude my questions. Does my colleague have any questions? Thank you.

The Chair: — Are there any more questions or comments from any of the committee members? Seeing none, this Bill has 68 clauses. Is leave granted to review portions of the Bill in sections?

Some Hon. Members: — Agreed.

The Chair: — Carried. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 68 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill 141, *The Business Statutes Administration Transfer Act*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would like to ask a member to move that we report Bill No. 141, *The Business Statutes Administration Transfer Act* without amendment.

Mr. Allchurch: — So moved.

The Chair: — Mr. Allchurch has moved. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 142 — *The Business Statutes Administration Transfer Consequential Amendments Act, 2010/Loi de 2010 portant modifications corrélatives à la loi intitulée The Business Statutes Administration Transfer Act*

The Chair: — Bill No. 142, *The Business Statutes Administration Transfer Consequential Amendments Act, 2010*. I'll just ask one more time if there is any further questions or comments on this. Seeing none, clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

[Clauses 1 to 5 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 142, *The Business Statutes Administration Transfer Consequential Amendments Act, 2010*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — I'll also state that this is a bilingual Bill, and that was carried. I would like to ask a member to move that Bill No. 142, *The Business Statutes Administration Transfer Consequential Amendments Act, 2010* be reported without amendment.

Mr. Weekes: — I so move.

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

Some Hon. Members: — Agreed.

The Chair: — Carried. With that, two pieces of business being dealt with, I'd like to thank the minister and her officials for taking the time to answer our questions tonight. And that is the two Bills that were in front of our committee for this evening, so I would like to thank the committee members. And our committee will now stand adjourned. If the minister has a closing comment?

Hon. Ms. Draude: — Thank you, Mr. Chair. I want to thank my committee members and I really want to thank the officials and the opposition. I think we've just passed a very important piece of legislation that will have a very . . . It'll have a great impact on the businesses in our province. I thank you very much.

The Chair: — Thank you very much. I would entertain a motion of adjournment.

Mr. Bradshaw has moved adjournment. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee now stands adjourned.

[The committee adjourned at 20:23.]