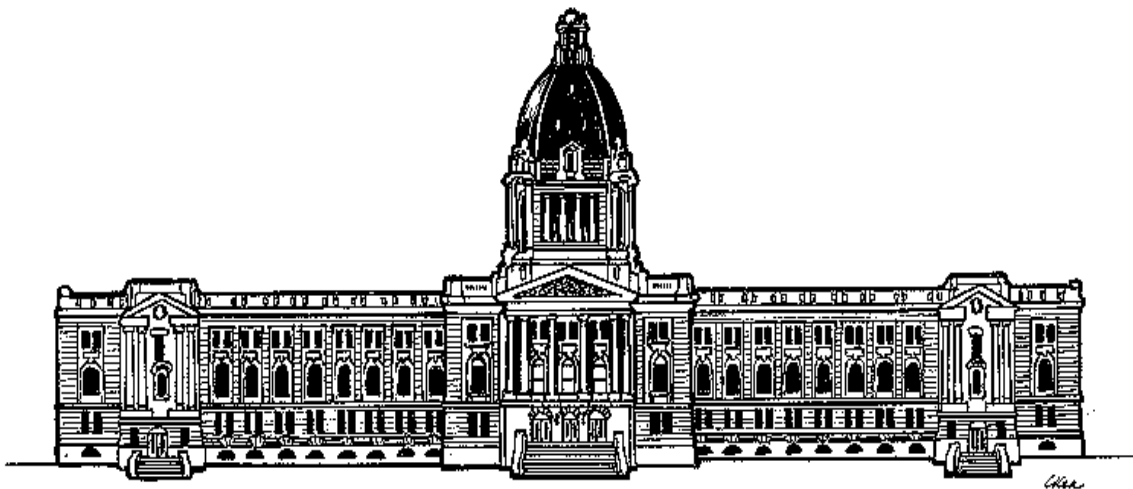




STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Mr. Greg Brkich, Chair
Arm River-Watrous

Ms. Cathy Sproule, Deputy Chair
Saskatoon Nutana

Mr. Bob Bjornerud
Melville-Saltcoats

Mr. Darryl Hickie
Prince Albert Carlton

Mr. Gene Makowsky
Regina Dewdney

Mr. Scott Moe
Rosthern-Shellbrook

Mr. Roger Parent
Saskatoon Meewasin

[The committee met at 19:00.]

The Chair: — I'm going to welcome for the committee sitting today . . . I see there are no substitutions. Members have a copy of today's agenda. If members are in agreement we will proceed with that agenda.

We also have eight documents to table which have already been distributed to the members of the committee. I provided a list to the members of the documents that are to be tabled.

**Bill No. 80 — *The Power Corporation
Amendment Act, 2012***

Clause 1

The Chair: — So we will start up now on . . . We will start with the consideration of Bill No. 80, *The Power Corporation Amendment Act, 2012*. We will start with clause 1. But I will ask the minister if he has any opening remarks and also if he would like to introduce his officials.

Hon. Mr. Boyd: — Thank you, Mr. Chair. Committee members, good evening. I'm joined here tonight by Robert Watson, president and CEO [chief executive officer]; Rachele Verret Morphy, vice-president, law, land and regulatory affairs; Sandeep Kalra, chief financial officer; and Donna Dressler, general manager of strategic relations.

On behalf of SaskPower I'm pleased to be here to discuss the various changes to the SaskPower Act, *The Power Corporation Act*. This is a critical time for SaskPower. Our province is growing at a remarkable rate and our electrical infrastructure needs to support that growth. Requests for customer connects have risen by 1,700 in just two years, and the power forecast is to grow at a rate of about 2.9 per cent over the next year. In addition to this increased demand, much of the province's electrical infrastructure was built between 1960 and 1985. A record high investment in the electrical system will continue as SaskPower plans to spend \$10 billion over the next 10 years for renewals, improvements, and to meet future demands. Renewing the system and providing world-class customer services are priorities for SaskPower, and demand for power increases dramatically over the years. We'll be looking forward to all of the opportunities to meet those demands.

SaskPower will continue to look at a mix of generation options to meet our future needs while balancing costs and changing environmental regulations. A diverse mix of options will allow flexibility, and better position SaskPower to be able to respond to Saskatchewan's changing needs. SaskPower has a thoughtful and thorough planning process that will continue to balance the economic and environmental and social needs of Saskatchewan while providing a reliable and affordable and sustainable product both today and in the years ahead.

Mr. Chair, with those brief comments we're prepared to take questions.

The Chair: — Thank you, Mr. Minister. Ms. Sproule, do you have any questions?

Ms. Sproule: — Yes, thank you very much, Mr. Chair. And thank you, Mr. Minister and the staff. It's good to see you, Rachele. I worked with Rachele many years ago, so it's nice to see you here again tonight . . . [inaudible interjection] . . . Yes, and I see a lot of legal-type questions, so I'm glad you're here because I'm going to have a few.

So I guess just first off I will try to approach this line by line, or clause by clause as we go through, and I have the explanatory notes that were provided when the bill was introduced. And I guess I'm just going to start right in with clause 3(2.2). And the indication in the explanatory notes is that the attempt here is to, I guess, immunize the corporation from liability in nuisance types of actions. And my first question is, is what . . . If you could give me an example of a type of class action nuisance lawsuit that has been brought against an emitter as indicated the purpose of this clause is for.

Mr. Watson: — Thank you very much for the question. As you've rightly said, it's regarding legalities of the question, so to make it expedited, I will let Rachele answer the question and make it prompt.

Ms. Verret Morphy: — So the provision that is recommended here is to protect the corporation from liability in nuisance. And it would be . . . There have been situations in the US [United States] where there have been legal action taken against emitters, but it's not just in those situations where we feel protection would be appropriate. The reason is that the mandate of SaskPower is to serve the public. We serve customers across the province. It doesn't matter where they're located. We feel that we have an obligation to serve because we are the only electrical utility for most of the customers in the province. So we're not able to make decisions based on it being inconvenient to serve or based on the potential reaction that we might get from the public to build infrastructure.

So because of these circumstances, we feel that it's appropriate for the corporation to have a limitation from nuisance liability. We believe that if we're negligent in carrying out our obligations, we absolutely ought to be responsible and accountable. But in terms of serving the public, because we do not make decisions to not serve, we feel that limitation from nuisance is appropriate, as is the case under *The Cities Act* and under *The Municipalities Act*.

Ms. Sproule: — I note in your comments and explanatory notes that it indicates that other provincial legislation exists. *The Cities Act, The Municipalities Act*, BC Hydro has an exemption. Are you aware of any private corporations that provide power that have statutory exemptions like this?

Ms. Verret Morphy: — No. No I'm not aware.

Ms. Sproule: — So it's basically, the advantage here is that because this is a Crown owned corporation that it's able to invoke a statutory protection like this?

Ms. Verret Morphy: — Not just because it's a Crown owned corporation, but because it basically has a stewardship responsibility to serve customers wherever they're located. If we were a privately owned company or even if we were a

Crown that did not have that kind of mandate, you might not necessarily expect coverage or service in every corner of the province because it would be a business-based decision. In this case, we always serve. We don't make the decision not to serve.

Ms. Sproule: — Does SaskPower serve like 100 per cent of the power in Saskatchewan? And if not, what proportion would it be?

Mr. Watson: — To answer that question, yes. SaskPower is the provider of 100 per cent of the power. However, I will say that there is some private power where somebody puts a solar panel on their roof or something like that or . . . [inaudible interjection] . . . oh, sorry. The minister just reminds me also that in the distribution side, the city of Swift Current and the city of Saskatoon are responsible for their geographical areas to supply the power to the end user and we sell it to them.

Ms. Sproule: — So just so I understand your mandate, if there's a development somewhere in the province . . . I'm thinking of the remote North for example and people require power services there. Do you serve all communities in the North as well?

Mr. Watson: — Yes we do. Yes we are responsible. We go all the way up to Uranium City and all the way up there. I say sometimes it's a seven iron away from the 60th parallel all the way down to the 49th parallel. And just for your interest, I mean, Saskatchewan is about the geographical size of Texas with 1 million, well 1.1 million people in. And in fact we have almost as much transmissions lines as the province of Ontario with 14 million people.

Ms. Sproule: — Lots of ground to cover here in Saskatchewan, isn't there? Okay, thank you for that explanation.

The next clause I want to look at is 8.2. It's being amended to refer to something called reliability standards. So if I understand correctly, it's a standard for electrical reliability set by North American Electric Reliability Corporation which SaskPower has entered into a MOU [memorandum of understanding] with. Can you tell me just a little bit about what electrical reliability is over and above design and operations standards?

Ms. Verret Morphy: — So there's a North American organization called the North American Electric Reliability Corporation, and this corporation exists . . . It has a reliability mandate across North America, or at least it started in the US, because the electrical utilities across North America are essentially interconnected, so that an event that occurs in one jurisdiction could affect another jurisdiction as we saw in the blackout, the big blackout in New York state and the eastern part of North America several years ago.

So this organization basically has developed reliability standards basically to build in redundancies in electrical utilities in North America. That is the goal of NERC [North American Electric Reliability Corporation] as it's called. And so what Saskatchewan has done on a voluntary basis is adopt the NERC standards, so we've agreed to build in those standards and those redundancies into our system to ensure not only that our system is protected from events in other jurisdictions but vice versa.

So for the system to work, it requires co-operation among jurisdictions. And so this provision basically gives us the ability to adopt, to establish standards for reliability for the province of Saskatchewan.

Mr. Watson: — Although Rachele says it's on a voluntary basis, I can assure you it's not that voluntary. After the last major blackout in the northeastern United States, which I believe was in 2003, the industry got together and agreed that the standards had to be put together so that companies operated on a consistent manner because we're all intertwined. So therefore we actually have NERC come in and audit our processes and our systems every year to ensure that we're compliant. And in fact they have the right — and you can't do anything about it — if in fact we are not compliant, in other words we would potentially cause an issue with the North American grid, they can isolate us.

To the east we interconnect with Manitoba on AC [alternating current] transmission lines. To the south we interconnect with North Dakota and Montana with AC transmission lines. And into the west we interconnect with Alberta with a DC [direct current] line because they're on the western grid. So therefore it is paramount that we make sure that we not only comply, but we ensure that we're audited in our compliance. And we do do that.

Ms. Sproule: — Thank you for that. I just have a couple questions that arise from that. As you indicated, Saskatoon and Swift Current have an independent supply, and I noted in your notes here you're responsible for the reliability of their power production as well under the NERC agreement. So is there any liability that arises out of that if . . . Are Saskatoon and Swift Current forced to come up to the same standards?

Mr. Watson: — I'll start the answer and then of course Rachele can jump in. The standards are on the transmission side of the business, so the transmission . . . not down at the distribution side. Saskatoon and Moose Jaw . . . Swift Current, sorry, are on the distribution side. It's the transmission facilities between the grids and on the major grids where the standards are. Power production and transmission is where it is.

Ms. Sproule: — If there is a situation then where there is negligence on the part of SaskPower in terms of meeting these standards, I'm just wondering what the enforceability of the agreement is. Are we legally bound by it? You're saying it's as close to being legally bound. But what would be the net effect if Saskatchewan chose not to meet those requirements?

Mr. Watson: — I'll let Rachele answer the legalities, but of course I would not want to put SaskPower nor the province in that position to try that. As I say, we have independent people come and audit us with our processes and our ability every year, and we are compliant with our abilities. But I would not operationally want to test that legality-wise. I don't think we'd have to, but I certainly would never want to operationally test that at all.

Ms. Sproule: — Clause 5 of the new bill then . . . Actually I won't be asking any questions with those. I guess this relates to having non-employees covered off as a designated officer.

The only question I would have in relation to these amendments is, is perhaps a bit of explanation about the use of contract auditors, and why the corporation would do that.

Ms. Verret Morphy: — So again, going back to the comments about the reasons for agreeing to become compliant with the NERC reliability standards, it's also important that we audit compliance with those standards, basically in most cases self-audits.

In many cases we would likely use auditors outside the company to perform those audits for us. We're building a skill set in that area, but we want to make sure that we have people that are completely knowledgeable in those standards coming in to — and basically an external set of eyes — to come in to do the audit. So that's why we wanted to make sure that this was included as something that we can do.

Ms. Sproule: — You indicated you're building an internal skill set to develop that capacity within the organization. Is that something you want to get to eventually, is 100 per cent capacity within SaskPower to be able to do these types of audits? Or would you continue to use outside experts?

Ms. Verret Morphy: — I think we want to keep both options open. I think there are advantages to having an external body come in and have a look from the outside from time to time.

Ms. Sproule: — What's the name of the external body that you're using currently?

Ms. Verret Morphy: — Right now I believe the auditors are from NERC itself.

Ms. Sproule: — So from the United States.

Ms. Verret Morphy: — Yes.

[19:15]

Ms. Sproule: — Okay. I'm just looking at clause 6 now of the new bill. This is a new clause — oh yes, market activities — it's an extensive addition. And if I understand correctly — although *The Crown Corporations Act* allows SaskPower to deal in capital market activities, which looks to be sort of instruments relating to finance — if I understand correctly, this clause deals with other types of market activities. And I would like a general explanation of the goal of this particular clause, if you would.

Mr. Watson: — Sandeep . . .

Ms. Verret Morphy: — So SaskPower has a wholly owned subsidiary, NorthPoint Energy Solutions, and as most power utilities do, they have the mandate to buy and sell energy from outside the jurisdiction of Saskatchewan. Essentially sometimes we have excess energy that we don't need in the province. We export that outside the province. And sometimes if we're short, we will import energy as well. We have the authority currently under *The Crown Corporations Act* to carry on market activities in furtherance of our purposes and powers. Part of what NorthPoint is doing is they will leverage their knowledge of the electrical system, and from time to time they will purchase

energy or electricity from outside the province and deliver it into other jurisdictions such as Alberta.

What we want to do is make sure or clarify that SaskPower has the legislated authority to carry out those transactions. We believe that we likely do currently, but this is a clarification, just to make sure that the counterparties that we're dealing with can look at our legislation and be comfortable that we absolutely have the authority to do that. So we see that as a clarification.

Mr. Watson: — Just to carry on with that explanation, NorthPoint was a company that was formed years ago and actually to take advantage of trading electricity in a North American market. We have now changed that mandate and made NorthPoint there to actually assure they look after the needs of SaskPower first and foremost — in other words, buying and selling power first and foremost. So therefore they are always on the market.

We have actually focused our attention to Western Canada and particularly Alberta marketplace. Right now, and as Rachelle said, we have a long-term standing contract where we've taken up transmission capacity through BC [British Columbia] where we can sell power actually from the US into BC and Alberta, and we make a substantial profit on that. It's not risk-based at all. It's something that's very de-risked. Last year we probably made about \$30 million net profit on the trading of it. But it's not done on a . . . It's done on an opportunistic basis. In other words, SaskPower looked after first, and then if there's excess capacity, sell into Alberta.

Ms. Sproule: — So from a layperson's perspective, trying to imagine how this all works, you have the existing transmission lines. You're in a position to move the power to those other jurisdictions. Or would it ever cross through Saskatchewan at all, the power that's being brokered?

Mr. Watson: — It doesn't right now. It's a possibility in the future, sure. The possibility's in future where we could possibly have power, buy from Manitoba, sell to Alberta, and make a margin on that.

Ms. Sproule: — Okay. And why wouldn't Manitoba just sell to Alberta?

Mr. Watson: — Well they'd have to transport through us.

Ms. Sproule: — Oh, I see.

Mr. Watson: — We own the transmission facility.

Ms. Sproule: — Okay.

Mr. Watson: — So we would make money on that.

Ms. Sproule: — So this 30 million that you made last year is a nice little profit and, as you say, it's low-risk. So it's just basically being in the right place at the right time with the right smarts to sell it?

Mr. Watson: — I would say it's low-risk or zero-risk. We do not speculate into the market at all. If Alberta, there's the

demand and we actually have excess capacity on our . . . [inaudible] . . . then we'll sell it. If we don't, then we won't. We don't speculate.

Ms. Sproule: — And is this done on a daily basis?

Mr. Watson: — It's done on an hourly basis.

Ms. Sproule: — Hourly basis.

Mr. Watson: — Yes, an active basis.

Ms. Sproule: — So how many employees would be working in SaskPower just doing that daily, hourly trading?

Mr. Watson: — About 10 actually do that. With the actually hourly trading, about 10, yes. And we actually, the same company, NorthPoint, we actually work in partnership with SaskEnergy in this purchase of gas so that both companies can benefit on the purchase of gas. Like we join our gas purchases together.

Ms. Sproule: — Actually that came up the other day when I was doing some work with SaskEnergy on their annual reports because NorthPoint came up. So I'm just trying to get the picture. These 10 employees then . . . Is NorthPoint located here in Regina? And are they . . .

Mr. Watson: — Yes, it's located . . . NorthPoint right now, they're occupying space at the Chateau Tower. It's just that we haven't been able to renovate the head office yet, but we'll do that.

Ms. Sproule: — And do they work 24 hours? Like are there shifts? And they're selling and buying every hour?

Mr. Watson: — They monitor the markets for 24 hours, yes. In fact there's another case in point. We share trading floors with SaskEnergy. In other words, we monitor each other's, and stuff like that. So it's a very good synergy between the two corporations and it actually helps us de-risk each side of our business.

Ms. Sproule: — Well and I guess ultimately it certainly benefits the minister for the dividends, right? So it's good stuff. Thank you for that. I don't think I have any specific questions about the content of 8.4(1) at this point.

I'm now looking at section 7 of the new bill where it is repealing subsection 10(3) and substituting . . . I think at this point I understand the intent there. Where it used to have a fixed amount of 150,000, that's just too low. And I assume that . . . I know how difficult OCs [order in council] are for preparation and getting on the schedule. So this is just to make life a little bit easier and to not take up Lieutenant Governor in Council's time as much as . . . [inaudible interjection] . . . Yes. I would think that's normal practice. So I don't have any questions about that.

I'm curious a little bit about clause 8 where section 14 is being repealed with a substitution clause. And if I understand correctly . . . Let me refer to the explanatory notes. In the case where this is a regular . . . This is the expropriation clause. So if

there's a power line or some sort of installation related to a power line, the goal here is to go through ordinary procedures as long as it's capable of being registered in the registry. It's a pretty straightforward one. You don't have to go to Lieutenant Governor in Council. So I think I get that.

What I am curious about is when and in what circumstances would Lieutenant Governor in Council . . . or Lieutenant, I believe, Governor in Council — although in *Hansard* it shows up the same way either way — when would you need Lieutenant Governor in Council approval for an expropriation under this Act?

Mr. Watson: — We'll let Rachelle answer that one.

Ms. Verret Morphy: — Well the purpose, the intent of the amendment was to provide a clarification. There are two expropriation procedures. There's one set under *The Expropriation Procedure Act*, and then there's another set right in our own Act. And it's unclear, until you work through each set, which one applies in which scenario.

So *The Expropriation Procedure Act* applies in the case where we're expropriating land. And the case in *The Power Corporation Act* is where we're expropriating anything else. So the purpose of this provision isn't to amend or change the current procedures. It's to clarify and provide more transparency for landowners as to which set of procedures will apply in a particular situation.

Ms. Sproule: — Yes. I think I understand the intent of that. I guess in my experience, most times when you're expropriating, it's land. So what would be another circumstance where it wouldn't be land?

Ms. Verret Morphy: — Well it might be buildings. There might be equipment on land. I guess buildings is normally attached to land. But if it was a mobile home or a piece of equipment that was not affixed to the land, it might need to be expropriated if we couldn't find the landowner, if the landowner had no interest in removing it from the land. It's a rarely used provision.

Ms. Sproule: — I just haven't seen a situation where an expropriation would occur . . . But it's mostly chattels then rather than fixed real property. Okay. I think you could just move it; you wouldn't have to expropriate it.

Ms. Verret Morphy: — We don't own it. So I believe that it's there just because if it's existing on the land and we need to deal with it because we need to build our own infrastructure on the land, it just makes more sense for the corporation to take ownership if there's no other way to deal with the property through the landowner.

Ms. Sproule: — I wouldn't expect that that is used very often, but . . .

Ms. Verret Morphy: — Not since I've been in the corporation since 2005.

Ms. Sproule: — I'll check in with you next year and see if the situation has arisen, if I am still the critic.

The next change is in clause 9 of the bill where . . . Oh this is just modernizing the language, so I don't have any questions in relation to that.

I guess the only comment I have in relation to the amendments to subsections 15(4) and (5) is the gender-neutral terms that are being replaced. I am curious, last time I looked in your board, there was 13 members and only 2 are women. Is that still the gender ratio for the board of the corporation?

Mr. Watson: — That's a very good question. We just received two new members which are women, so we have four women on the board now. Twelve members and four are women.

Ms. Sproule: — Thank you. That's certainly a step in the right direction from my perspective. So that's great.

Clause 10 of the bill, I'm not interested in. I don't have any questions there. It's just whether pipeline is one word or two. And that goes for a number of sections I guess that are being changed.

I'd like to go to section 17. I understand the corrections in . . . or the adjustments to 33 are fairly technical and clarifying, clerical

I just have one little question about 33.1 that's just a new section. And basically what it's proposing is that when SaskPower is exercising its rights to install facilities in basically public roads, along with wires and attachments and everything that goes along with that, and the land — this is typically Crown land I believe — if it's conveyed to another person, the person takes the land subject to SaskPower's pre-existing rights. And the only question I'm really thinking about here is if and when the land leaves provincial jurisdiction and would move to federal jurisdiction — and that would be in the case of an addition to reserve for First Nation lands, which at that point it would become federal land — and at that point the jurisdiction of the Act itself ceases once it becomes federal land.

So I just wondered if there was any thought of an amendment that would . . . I worked in this area for a number of years in a previous life, so that's why I'm thinking about the difficulties we had when those types of interests had to be converted to a federal interest. And was there any thought at the time of amending this to include provisions to facilitate those interests being re-created under federal law in a more seamless fashion? I don't know if that's possible.

Ms. Verret Morphy: — That's actually not something that we had considered. It would probably be the same issue as with other pre-existing interests. I believe our interests would likely just fall away and we would have to negotiate or work something out at the time.

Ms. Sproule: — It was just a thought I had because I know how difficult that transition from one jurisdiction to the other is, but when you're in the middle of amending, it's probably a good time to think about it.

I think the next clause we'll look at is Clause 18. And although it's a short clause, I think it's the nuts and bolts of the impetus for this amending bill, if I understand correctly. So basically the

clause is suggesting the borrowing limits are now going up from 5 billion to \$8 billion. I would just be interested from the minister and your staff or your officials if you could sort of outline the types of borrowing that will be necessary in the next few years that would bring you to that \$8 billion mark. Just a general description, maybe.

Mr. Watson: — I'll start and then I'll let Sandeep jump in because he's our CFO [chief financial officer]. We have a daunting task ahead of us at SaskPower in that the province is growing at a record pace — 2.9 per cent a year growth. In the last particularly three years, we've had over 10,000 new homes to connect per year, and also the growth in all aspects of the industrial side of the province has been a demand. We also have significant monies that we have to spend per year on upgrading and the existing infrastructure maintenance.

As the minister noted in his opening comments, most of the infrastructure was built from the '60s to the '80s and therefore is hitting 40, 50 years old at this point in time. We actually have more wooden poles in the province than we have people, over 1 million wooden poles in the province that we have to maintain. And we have a continuing upgrading of existing power facilities that need to be upgraded and refurbished on a consistent basis as well as building new ones.

So on a detailed basis, we essentially are going to spend on average about \$1 billion dollars a year in capital expenditures specifically on infrastructure, new power requirements, and transmission facilities for the growing economy. As well as we will be setting aside per year, money to upgrade the existing infrastructure to bring it up to a more reliable speed. Sandeep, you've got some details.

[19:30]

Mr. Kalra: — Sure. So the 10 billion of additional capital expenditures that needs to be sort of invested over the next 10 years, roughly two-thirds of that would be financed internally by the cash flows of the corporation. So six, six and a half billion would be through the profits generated and through the cash flows of the corporation. So we would need an additional 3 to \$3.5 billion in incremental debt to fund this growth. At the end of 2012, the debt was roughly 3.7 billion. It's expected to be at 7 billion at the end of 2023.

So the limit right now is 5 billion, and we would reach that limit in 2014. So to fund this growth over this next, you know, 10-year period, even though the substantial part of that would be funded internally, some incremental borrowing would be needed which would take us to roughly 7 billion at the end of 2023.

There is some cushion in there. This assumes, you know, normal natural gas prices, normal hydro years. So you know, if there are any contingencies we need to fund, we need to leave some room for those contingencies as well. That's why we have requested to raise the limit from 5 billion to \$8 billion.

Ms. Sproule: — Okay. And as far as infrastructure goes, this would include both transmission and generation?

Mr. Kalra: — This then includes new generation which is

roughly \$3 billion. It includes \$2 billion in transmission and customer connects, and it includes 5 billion in maintenance capex [capital expenditure]. That is the replacement of existing poles and wires, and maintenance capex for power production, and also the ongoing non-power production and transmission capex, for example for IT [information technology] infrastructure and some buildings.

Ms. Sproule: — Capex is capital expenditures? Okay. I'm just going to focus, if I could for a minute, on the generation capacity. And you indicate new generation. I just wonder what kind of mix you're looking at for new generation.

Mr. Watson: — Right now our mix is just about 50 per cent from coal generation, about 25 per cent from gas, about 20 per cent from hydro, and then a bit of biomass, wind, and that's it.

In the future we're going to continue to add gas into the fleet. We are going to add wind into the fleet in the future. And we will, we will be adding hydro into the fleet in the future, particularly run-of-the-river hydro facilities in the Far North.

You very rarely now will be able to get a large hydro facility that'll do any damming in almost anywhere in Canada, let alone the world, these days, and we don't really have any opportunities in that to do that. So we'll be looking at all those opportunities. There is an opportunity for the small geothermal in the southern part of the province. And we will at some time in the future be looking at solar as an opportunity, but right now it's too expensive to look at as an opportunity. So we'll be looking at all our options. And the plan is to keep the options de-risked, in other words, don't go dependent on one supply only.

Last but not least, we certainly will be keeping open to discussions with our neighbours to the east, Manitoba, in case there's any excess baseload hydro that could become on long-term contracts.

Ms. Sproule: — Thank you for that. In terms of the gas, is it . . . I forget the name in North Battleford. Northland. So is that the 25 per cent right now of gas? Or is there other facilities that are . . .

Mr. Watson: — No, there's lots of others. We have Spy Hill, which is a private power one. Northland is not on the grid yet. It comes on in about June time frame. But there's gas plants throughout the province.

Ms. Sproule: — Say, 15? 20? 100?

Mr. Watson: — Gas facilities?

Ms. Sproule: — Yes.

Mr. Watson: — Oh boy, I've got to count that. There's Spy Hill with a couple, there's Queen Elizabeth, which is the big one up in Saskatoon . . .

Ms. Sproule: — That's gas?

Mr. Watson: — Yes.

Ms. Sproule: — I thought it was coal.

Mr. Watson: — No, it's gas. And we're doubling the size of that one.

Ms. Sproule: — I heard that, yes.

Mr. Watson: — So that's going up . . . [inaudible interjection] . . . Okay, yes, go ahead, Sandeep.

Ms. Sproule: — Okay, and I've seen that map in your reports, so thank you. I just haven't committed it to memory yet.

Mr. Watson: — Meadow Lake, Yellowhead, Ermine, Landis, Queen Elizabeth, and Success, which is the Spy Hill.

Ms. Sproule: — And those are all privately owned?

Mr. Watson: — No. Spy Hill is privately owned. Northland is privately owned, and that's it . . . [inaudible interjection] . . . Oh, QE [Queen Elizabeth power station]. That's the biggest one, yes.

Ms. Sproule: — And QE is providing Saskatoon's power.

Mr. Watson: — It just goes into the grid. It provides it everywhere.

Ms. Sproule: — Okay. It just happens to be nearby.

Mr. Watson: — Yes.

Ms. Sproule: — All right. And the hydro run-of-the-river, is that at Black Lake?

Mr. Watson: — That's the opportunity we're working on specifically right now. It's a 42-megawatt run-of-the-river plant that, as I guess I say, is a true run-of-the-river. And the discussions going with the First Nations are going very well.

Ms. Sproule: — And what about James Smith? There was some talk of . . . Is it run-of-the-river there as well? Or is that a dam?

Mr. Watson: — James Smith was the Pehonan site on the Saskatchewan River. That one we've put lower on the priority list because there's lots of environmental issues and there is water issues, the Saskatchewan River. So not that it's cancelled or anything, but it's lower on our priority right now.

Ms. Sproule: — And biomass would be a very small . . .

Mr. Watson: — Biomass is small. We have opportunities. Meadow Lake Tribal Council, we have a deal with them to produce 36 megawatts of biomass. Plus we have Paper Excellence, P.A. pulp mill in Prince Albert, plus there's an opportunity for biomass in Meadow Lake.

Ms. Sproule: — And when's the pulp mill in P.A. [Prince Albert] expected to start producing power or even, you would know, when is it going to start operating? Is it this year?

Mr. Watson: — We are already getting power from P.A. from

the existing generation; 10 megawatts from them right now.

Ms. Sproule: — Okay.

Mr. Watson: — The pulp mill, I can't comment. You'll have to ask them about that.

Ms. Sproule: — Yes. The coal, I'm just interested in once the carbon sequestration process, I don't understand it well, but I know that the capturing of the carbon will reduce the efficiency of the plants. Is that correct?

Mr. Watson: — Yes. Well there's two aspects to the Boundary dam 3. There's the power island where we have to, because it's 45 years life, we have to completely rebuild it. And that was part of the scheduling anyways to completely rebuild it.

In the power island we're going to install a brand new Hitachi turbine, the first one in the world, which is a low-pressure, carbon-capture-ready type turbine. It doesn't capture the carbon . . . [inaudible] . . . It does take the efficiencies up to about . . . It does take the power production up to about 140 megawatts.

Then we put on the capture island, which is a separate facility which captures the CO₂ and 100 per cent of the SO_x and 100 per cent of NO_x. And it'll take about 20 megawatts to run the carbon capture facility.

Ms. Sproule: — What's it currently producing right now?

Mr. Watson: — It was producing 130.

Ms. Sproule: — 130. So it's about 10 megawatts less once you get the capture . . .

Mr. Watson: — It'll net out about 110, yes.

Ms. Sproule: — The other day in the legislature there was some folks here with the mayor from, I believe it was Tisdale. And they are starting some sort of power generating plant in Tisdale. Do you know any more details about that?

Hon. Mr. Boyd: — I can probably comment on that. It happens frequently where communities or companies come forward and are interested in power generation. This is a normal occurrence. Many people feel or would like to be in the power business, I guess. And this is not unusual. The vast, vast majority of them never happen, but there's always interest in it.

Ms. Sproule: — Why don't they happen?

Hon. Mr. Boyd: — Most of the time there isn't a need at that particular time. On top of that, there's an unrealistic expectation as to what the profits would be, and/or there's the inability to raise the capital to finance the project.

Mr. Watson: — I will say we do have an official process within SaskPower to officially accept any opportunities that come. And we take them, we register them as a non-solicited, you know, level of interest, and we will evaluate it.

As the minister rightly says, right now we have our power requirements are pretty well set for the next 10 years. It looks

like we need a gas plant somewhat in maybe 2018, maybe 2019. And we've already publicly stated that there's two possible opportunities, locations for that: either the Swift Current area or up in the Saskatoon area for the gas plants. And they would be open competitive bids for those plants.

Ms. Sproule: — Thank you. I had a thought, and it went away. Okay. Well I'll just carry on then. Next section that's in the . . . We're getting near the end here. Section 19 is a repeal of 59.01 and the substitution . . . I'll just take a look at my notes. I don't think I have any specific questions in relation to that clause. It's pretty straightforward.

Okay, I'm trying to remember what I was going to ask because there was a couple of questions that came out of your comments. Oh, I guess one of the things I was wanting to understand is you've got your plans set for the next 10 years. Is there any sort of long-term plan for phasing out of non-renewables into renewables?

Hon. Mr. Boyd: — I'd like to take that question in part at least and have Mr. Watson comment as well. We frequently hear this type of question, and it's a valid question and a good question.

The point that I think is important that the people of Saskatchewan are aware of is that there is a suite of generation opportunities available to SaskPower. They don't all come with the same costs. Coal generates electricity very economically in Saskatchewan. Now we certainly understand the challenges around coal in terms of emissions, and that's precisely the reason why we have embarked upon a process of carbon capture and storage. It has the obvious environmental benefits. It has enhanced oil recovery opportunities from the CO₂ that's being sequestered. So there is a very significant benefit to that.

Now in addition to that, we are blessed by providence that in fact we have some 2 or 300 years of coal. So it makes some pretty good sense to use that coal. Alternatively there are other types of generation opportunities available to us, including the renewables. However, if you step outside at the moment, you would see that there is no wind, so you're not going to generate much with wind at the particular moment.

And that's the challenge with some of the renewables. You can't generate electricity from wind all of the time. It's the same with solar. We don't have the sun available to us 24 hours a day. And in both of those applications, solar and in wind, there isn't developed yet a reliable and cost-efficient system of storage, battery storage or something of that nature, to be able to store power in the peak times that you would have those available to you.

I think sometimes people get mixed . . . or I mean simply aren't aware of the consequences of just simply saying, we should shut down all of the coal, and we should move all to wind. And I've heard it frankly from some of the members in the opposition with respect to that, and it just simply is not realistic.

[19:45]

And I think while we have the SaskPower officials here, I think it would be helpful if they would provide you with some thoughts on that in terms of both reliability, costs, and also the

fact that you have to have baseload generation. And then you have these other opportunities in terms of peaking that aren't available to you frequently. So for the benefit of both the opposition and the people of Saskatchewan, perhaps we could have Mr. Watson give his thoughts on all of that to us, so it's not just a political statement, but it's the reality that they deal with on a day-to-day basis.

Mr. Watson: — I don't really have much to add to the minister's comments. I mean the fallacy about wind . . . And first of all, our policy is to take our wind generation up to about eight and a half, maybe 9 per cent of our total. That's about best practices. We are still a winter-peaking load, when we still max our load in the wintertime. We're one of the few jurisdictions that still does that.

And for two aspects last year, the coldest day of the year in Regina there was absolutely no wind, and the hottest week in southern Saskatchewan there was no wind. And in fact that week we were actually to sell a significant amount of power to Alberta because they went above I think 10 per cent in wind generation in their grid, and they lost two units — so two baseload units.

So therefore to have wind, you have to have as much baseload into your grid. So if you have 170 megawatts of wind generation, then you need about 170 megawatts of baseload to support that or you could have issues with your grid or buying it. You'd probably be able to buy it, but you'd buy it at a premium. We were able to sell Alberta the power at \$1,000 a megawatt, and I don't think I'd want to get into a position to have to buy it at a \$1,000 a megawatt. That's the practical business side of it. Is there opportunities in the future? Maybe.

Solar right now is not efficient for the province at all. Solar right now is probably two to three times more costly to produce power than normal conventional because it's just . . . Again in the wintertime, it's not a matter of the sun shining. When it shines, it's wonderful. Because there's not much sun shining in the wintertime here, and then if there's . . . So it's the percentage of power you get from a solar power and a wind farm that's caused you issue.

Geothermal, we're going to look at that. There's some possibilities in the southern part of the province for 2 megawatts, maybe 3 megawatts, small units.

Biomass, probably by the time we do Meadow Lake and the two P.A. ones, you probably won't have much extra fibre to produce more biomass in the province. But that's their concern with the . . . We would be happy to talk biomass. The real good opportunities is run-of-the-river in the North. There's about seven, eight opportunities for run-of-the-river in the North, and we need power in the North for that, you know, and gas. We'll fill in with gas.

Ms. Sproule: — Thank you. Much of what you've said I'm quite familiar with and indeed was the position I think the corporation took in the 2010 legislative report that was commissioned by or organized by the legislature I guess and the hearings that I think the committee heard at that time. Certainly you're reflecting what the position of the corporation was at that time.

I know that the minister used the word fallacy. I'm not sure that the countries of Germany and Denmark and Italy and South America or South Africa would agree with him that it's a fallacy because there are genuine targets being placed by other jurisdictions to have a much higher ratio of non-renewables and I think very ambitious with supported research and development programming behind it to find those efficiencies and certainly lower the costs. I mean we all understand the costs of solar are expensive, but we know they're much cheaper now than they were 15 or 20 years ago. So I know SaskPower is watching at this point in time, and I think as a corporation that's appropriate.

My discussion would be with government at this point in terms of their policies and plans to make sure the research . . . And we want innovation in those areas that's a forward-looking type of innovation. And that's the kind of thing that a government would do and has done in other areas. So I think this is an issue for the government and not for the corporation. And I would challenge the government to think about it in that context.

Certainly in terms of, you know, the reliability of solar and wind, we all understand that it isn't windy all the time. The sun isn't shining all the time. I mean that's obvious, and that's a fact. But I do know there are substantive gains being made in storage of solar power. And in fact SHEC [Solar Hydrogen Energy Corporation] industries in Saskatoon is selling its technology to South Africa. But this government hasn't purchased anything from that local, quite brilliant group of engineers that are very innovative in their approach to storage when it comes to solar power.

So it's just I think in this context a bit of a rant and maybe a bit of a challenge to this government to maybe think a little further along those lines because I know how important innovation is to this administration.

Hon. Mr. Boyd: — I'd be happy to respond to that. Yes, I think you're correct with respect to what you say. The difference though is, is when you rattle off those various countries, at what cost? What is the average cost to the consumer in those countries? In many of them it's two, three, four, five times what we pay here in Saskatchewan.

So if you're advocating, if you're advocating that we move to that model, I think you should also say to the people of Saskatchewan that you're advocating that you're prepared to see the cost of electricity move to the kinds of levels that you'd experience in some of those countries. And frankly I don't think we're there yet. I think that we have a very good generation mix here in Saskatchewan. We will continue to . . . Obviously I accept the premise of what you're saying, that we will look at the opportunities as they come along.

But just as an aside, when you rise in the legislature and complain about increases in power rates, maybe you want to take into consideration the fact that we don't have the same levels of increases or power rates that they are in some of the countries that you're advocating. So please be aware and tell both sides of that story when you make those comments — that there is an additional cost to what you're asking that has to be a part of the equation and evaluation as to whether we want them at this point in time or not.

We will always continue to evaluate all of those kinds of things. But let's not get caught up in the panacea of suggesting that in other places they're doing a better job. Let's not, let's not . . . Excuse me, if you'd just let me finish. Let's be conscious of the fact that in many places in the world, their costs of electricity are far beyond what ours are. And so we need to be conscious of that in making these very important decisions about the generation mix.

Sask Power looks at all of those things on a regular basis to see what a good mix is. And I would think we should probably leave it up to those professionals to make some of those recommendations and move appropriately at that time.

Ms. Sproule: — Thank you very much, Mr. Minister. I think my concern is you were alluding to these as fallacies, and now you're saying it's more about an economic decision, and so that's the only . . .

Hon. Mr. Boyd: — Perhaps fallacy wasn't the best word. I guess I would say misconception then.

Ms. Sproule: — All right. I will let you characterize it how you see fit, and that's fine for the purposes of this conversation. There's much to be discussed in what you said, and I'm not proposing that I'll get into it in detail tonight. Certainly when you talk about cost, there's all kinds of factors that need to be taken into the cost when it comes to long-term effects of things like coal-fired generations. So it's a discussion that many people have over many hours.

And I think SaskPower has been a responsible corporation for many decades and continues to serve the people of Saskatchewan very well. So just encouraging this government to help it move into the future and post-fossil fuels if that is something that is achievable. I think it's something the people of Saskatchewan would like us to look into.

So I think at this point, Mr. Chair, I don't have any further questions with respect to this bill, and will leave it to the committee.

The Chair: — I see no other questions being put forward. We will start to vote the bill off clause by clause.

Clause 1, short title. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 20 inclusive agreed to.]

The Chair: — Her Majesty, by with the advice and the consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 80, *The Power Corporation Amendment Act, 2012*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would ask a member to move that we

report Bill No. 80, *The Power Corporation Amendment Act, 2012* without amendment.

Mr. Bjornerud: — So moved.

The Chair: — Moved by Mr. Bjornerud. Is that agreed to?

Some Hon. Members: — Agreed.

The Chair: — Carried. With the bill being done, is there any closing remarks that either the minister or member would like to make?

Hon. Mr. Boyd: — Thank you, Mr. Chair. I'd just say thank you to the SaskPower officials for your assistance here this evening, a very helpful and good discussion I believe. And thank you to committee members for their participation and questions this evening.

The Chair: — With that we will have a short little break, and then we will carry on with the agenda. I would thank the minister, his officials for appearing tonight and also for the member for asking the questions.

[The committee recessed for a period of time.]

Bill No. 71 — *The Alcohol and Gaming Regulation Amendment Act, 2012/Loi de 2012 modifiant la Loi de 1997 sur la réglementation des boissons alcoolisées et des jeux de hasard*

Clause 1

The Chair: — The committee will now come back in session. We will continue with the consideration of Bill No. 71, *The Alcohol and Gaming Regulation Amendment Act, 2012*. We will start with clause 1, short title. Minister, if you have any opening remarks, you can make them now and also introduce your officials. Thank you.

Hon. Ms. Harpauer: — Thank you, Mr. Chair. And to my right I have Barry Lacey, president and CEO of SLGA [Saskatchewan Liquor and Gaming Authority]. To my left I have Fiona Cribb, the vice-president, regulatory compliance division, and Joanne Gasper, the director of liquor licensing branch. And behind me I have Doug King, the director of horse racing branch. You know, for the sake of time, Mr. Chair, I won't have any opening remarks.

The Chair: — Thank you, Madam Minister. I'll turn the floor for questioning. Ms. Sproule.

Ms. Sproule: — Thank you, Mr. Chair. And thank you, Madam Minister, and the officials for coming out tonight. I don't have a lot of questions on this bill. I think what I'll start with initially is, and maybe as an overall framework for the questions I want to ask is, Minister, you indicated in your introductory remarks when the bill was introduced, I guess in November, November 21st, that the goal of this initiative was basically "aimed at reducing red tape for Saskatchewan businesses."

And certainly there's always good reason to get rid of red tape. I totally understand that, that kind of initiative, and certainly

commend the government when it attempts to do that. I guess what I want to do as I go through my questions is sort of try and identify how this is eliminating red tape, because I'm not sure all the changes do. And in fact there's only one that I could see that actually reduced red tape. So I was just curious about sort of that framework and will have a few questions about that as we go through it.

So I'm trying to decide which way to start this. I guess we'll start with the bill. I do want to talk a little bit, again as an introductory comment, about the 70 changes in your press release dated November 20th. I think there was an indication that there's more than 70 liquor regulations that are being modernized through this red tape process, and I will want to refer to that document at some point. I don't know if you have it handy or . . . I'm sure you do, every one of you, I'm sure. Six pages there with a bunch of different points. So I will want to look at that. But just to start off, I want to find my comments on the draft bill and I want to make sure I'm in the right place here.

Catering business permit. I guess my first question is in relation to the amendments to section 2 of the Act. And that's clause 3 of the new bill, where you're basically adding a new definition about catering businesses that can serve and sell beverage alcohol at catered events. That's a good addition, I think. I know a lot of people with catering businesses that will be very happy about this change.

My only question here is, are non-profit or not-for-profit corporations included in this? Like if, let's say, a catering business was not for-profit, would they be able to apply for permits or is that a different process?

Hon. Ms. Harpauer: — Yes, they would be able to.

Ms. Sproule: — Thank you. Section 49 is the next section that's being amended. I believe it's just changing the time frames. And if you just bear with me, I know I have your explanatory notes here somewhere, so I want to refer to them.

Hon. Ms. Harpauer: — I'll just make a comment on what you had said before. The actual bill, of course, only reflects a small number of the changes that we made. So many of them are in regulation and some in policy. So as you identified, specific to the bill, you're correct. Not many of those specific to the bill are red tape reductions. They are actually changes. More of the red tape reductions are seen in the regulation changes that aren't reflected in the bill.

Ms. Sproule: — Fair enough, and that's a good comment. Thank you, Madam Minister. I'm trying to find where I wrote my notes. There we go. I really don't have a lot of questions on this bill. I mean a lot of it's really self-explanatory.

I have a question about the recorking for wine, and I believe that's in the new section 116.2. And this is just really a technical question. If a wine bottle . . . If you bring in a wine bottle with a screw top, are you allowed to rescrew it on or do you have to cork it? Under the bill, I'm assuming you have to recork it. I'm just suggesting this may be an amendment you may want to consider.

Hon. Ms. Harpauer: — Just to answer to your question, that

policy was already in place. That didn't change with this bill. But I'm being told by the officials you actually have to recork it so that you can't just screw the cap off in the car on the way home.

Ms. Sproule: — I suppose, but I could always have a corkscrew in my car in my glovebox.

Hon. Ms. Harpauer: — No, you wouldn't do that.

Ms. Sproule: — It just seems a bit of extra work for the restaurants because they're going to have to have an extra supply of corks kicking around and then have to cork the bottle.

Hon. Ms. Harpauer: — Yes.

Ms. Sproule: — That's probably as deep a question as I have on that section. I've often applied for permits for non-profit corporations and special events and things like that, and I am somewhat concerned about the notion that the oversight that SLGA has provided in ensuring that not-for-profit corporations and anyone applying for a special permit licence have properly obtained the necessary municipal approvals. I've been somewhat comforted by that, although it is a pain, and I agree it may be the red tape that people are complaining about.

But I would like the minister's comments, maybe your officials if necessary, about whether or not there is a role for government in ensuring that people who are not used to handling alcohol or are applying for permits and aren't used to dealing with all the regulatory requirements vis-à-vis municipal bylaws and things like that, that who will enforce this if SLGA doesn't? That's my concern.

Hon. Ms. Harpauer: — So for special permits for special occasions and whatnot, nothing has changed for those for what's required by SLGA. What we did change for the permit requirements was more your commercial permittees, where it's an establishment. And SLGA added no significant value to the process. It was duplication. They already have to come in compliance, the facility has to come into compliance with fire codes and health and safety standards, and all of that's overseen by better regulatory bodies than what SLGA has. So the special permits that I think you are referring to, those do not change.

Ms. Sproule: — Thank you for that clarification. So I'm looking at, I believe it's section 56(1) where these changes are coming in. I want to make sure of the right section, so just bear with me here. Yes I think it's section 56(1). Currently it requires permit applicants to provide SLGA copies of documents demonstrating compliance with applicable fire, health, and safety standards. So these are not special permits then?

Hon. Ms. Harpauer: — Those would be for the commercial permittees, and they still have to provide a written statement that they are in compliance with all of the applicable standards, meaning fire codes, the mandatory floor size for the number of people that can be there, health and safety standards of the facility. All of those would . . . They still have to come in compliance, but what they will, instead of giving duplication of everything to SLGA that doesn't oversee the regulations for them, they only have to provide a written statement saying that

they are in compliance of this, this, and this.

[20:15]

Ms. Sproule: — I guess then I understand that. And certainly you don't need a stack of floor plans sitting in some office in SLGA. I guess the only concern I have then, in terms of these commercial applicants for permits or whoever is applying for these permanent permits, is that the oversight or the, I guess, enforcement or management compliance role is really being taken away from SLGA because you have covered yourself off through liability by having a written statement. If they have sworn or stated that they have done this, then that oversight isn't going to be there anymore. Is there any concern about that?

Hon. Ms. Harpauer: — The penalties still came from the appropriate authority. It didn't come from SLGA. SLGA just simply wouldn't issue the permit unless it had all of the paperwork brought in. But they didn't oversee regulating the fire code or the health and safety of the building, so the same regulation and penalty is on the municipal and other appropriate agencies. It's just whether or not we issue the permit.

Ms. Sproule: — Thank you for that. Yes, that helps this. That clarifies that.

Okay. The section that relates to if someone's intoxicated . . . I just have to find it. Consumption on premises? No, that's not it. I think it's section 12 of the new bill and it's amendments to section 126 of the Act. Yes, I'm going to pull that out.

So the proposed amendment to section 126 is by adding a new subsection, basically saying that . . . I think that's the section. Currently it reads, no person shall be in an intoxicated condition in a public place or in a permitted premises. And the new addition will allow the permittees and their employers, employees, to allow that intoxicated individual to stay there until a safe ride can be arranged.

And I'm just wondering, in terms of feedback from permittees and their employees, are there any concerns about liability for allowing people to stay?

Hon. Ms. Harpauer: — I can only speak to my local people or commercial permittees that I've talked to, and in essence they were, prior, breaking the law simply because they wouldn't kick them out without ensuring they had a ride. And seasonally in Saskatchewan, that's not even wise. So no, in fact they welcome this because they feel more comfortable. Often the patrons, they know them personally. They're, you know, they care about them even if they don't know them. And they don't want to see them removed and its 40 below and they don't know what happens to them once they've put them out the door.

So they're not going to serve them of course, and there's always circumstances . . . if the person is rowdy or whatever, that changes the circumstances, but generally they want to cut them off and ensure that they have a safe ride home.

Ms. Sproule: — Yes, I can certainly see that, especially in smaller communities where, like you say, people take care of each other and know each other. I would think in larger urban

centres there's maybe less familiarity with regular customers, and not that anyone would want to put anyone in harm, and I think that's the intent behind this for sure, but there's just concern . . . I think of a young server who is required or is, you know, allowing someone to stay and then things go wrong because of that.

Hon. Ms. Harpauer: — Generally in the larger cities, as you said, in the bigger establishments, there's more than one person, and I can see that concern that you're mentioning. And in your smaller, small community facility, most often that server knows the person personally. So you know, they're going to have use their judgment. If it is a young server and that server is alone and they don't feel safe, then they have to look after their safety as well.

Ms. Sproule: — Yes. The only other I guess concern I have is in section 128, the amendments to 128. In fact it's being repealed and there's a substitute provision. And the explanatory notes indicate that "The proposed amendments . . . will increase accountability for permittees for illegal activity taking place in their establishments." And again I'm thinking of a young server, like my son, who's 19 years old, he's working, and that somehow he's obligated to report criminal activity when he's working. When if he goes outside the bar and sees this activity taking place on the street, he's not required to. And it seems to be a fairly heavy onus to put on people who work in these types of establishments where alcohol is being served, or beverage alcohol I think it's referred to. Do you see that kind of burden being imposed on those young people?

Hon. Ms. Harpauer: — That's probably one of the . . . The one you just identified now is probably one of the changes that we had the most discussion about within our caucus as well, the government caucus. It's a stress of just reporting it, do not take action on it yourself, so as I would expect the citizen from the street to report criminal activity as long as their safety isn't in jeopardy. And we want to stress that, that they should not be putting themselves in jeopardy in any way but to go to the backroom, make that call to the police, and quietly.

Ms. Sproule: — Is there any thought, and this goes outside the four squares of the bill, but is there any thought for . . . I know I read somewhere about additional training for servers. Serve It Right Sask is one of the voluntary . . . Is there any thought of requiring employers to provide that sort of training?

Hon. Ms. Harpauer: — We've had that discussion as well, and the Hotels Association has been engaged in that. What is really positive is that there is an increase in the number of individuals that are accessing that course. We don't feel that we should make it mandatory. The Hotels Association would agree that they wouldn't like to see it mandatory, that it is the business's responsibility to gauge the level of training that they want for their employees. But the positive thing is it's an increased uptake of the program.

Ms. Sproule: — Well that's certainly good news, that the uptake is on the rise. And I understand why business wouldn't want to have to be forced to do it because it will increase costs for them and may result in some unnecessary training. But I, just again, think about these young servers. If they're in a situation where the margins are tight for the employer . . . And I

don't know. Is this a free program or is there a charge associated with it?

Hon. Ms. Harpauer: — I'm being informed it costs about 30 to \$40.

Ms. Sproule: — So it seems minimal. You know, no business is going to want an imposition of this type. But it may be something that could be, because of the low costs, it could be . . . It's like drivers' licences. I might be able to drive perfectly well without a licence, but just having that driver training course . . .

Hon. Ms. Harpauer: — I'll take that under advisement. I don't think we're prepared right now to make it mandatory. But what we could do is . . . You know, working with the Hotels Association has definitely made people more aware of it, that it's even available.

Ms. Sproule: — Certainly that's something I think you've heard; our opposition is just encouraging the government to make information as available as possible.

Moving from the bill then, the only thing at this point, I'd like to just take a quick look at the list of 70-some items that were released by the ministry in November. And I think at this point it would just be a couple of fairly general questions, and that is, when are these regulations being referred to? Each paragraph has an identification of whether it's regulation policy or legislation. And we understand the legislation, there's a few of them that are being changed under this proposed bill. In terms of the ones where you've identified regulation, I know some of them you said have already happened but . . . or maybe on the policy side. When do you anticipate that these regulations are going to be in place, and what sort of consultation are you doing before they are finalized?

Hon. Ms. Harpauer: — Now as you're aware, there was the general and fairly extensive consultation that brought this here. So that consultation has taken place. There are certain identifiable ones that will need additional consultation focused to that particular industry. There's some brew pub changes that are being made that, I'm understanding the officials, they are in consultation with.

As well as there was the seasonal franchises on resorts is something that I have been in conversation with the franchisee association on . . . or Liquor Vendors Association. I should give it its correct name.

So each piece is rather different. I think the majority of the officials hope to be able to implement at the same time that the bill is passed, which would be . . . [inaudible interjection] . . . Okay. So I stand corrected. They're looking at late spring and/or early summer on the regulations.

Ms. Sproule: — And will that deal with all of the regulations that are identified in this document? Okay. So I will look for those when they cross my desk.

And in terms of the policy pieces that are required to bring all this up to date, are those policies complete at this time?

Hon. Ms. Harpauer: — The policies should be ready and completed within the next couple of weeks.

Ms. Sproule: — Thank you for that. I'm just going to check the list to make sure that I . . . There are some specific ones I wanted to ask questions. You know, I don't, Mr. Chair, I don't believe I have any further questions on this particular piece of legislation or bill, the proposed bill. And I think at this point that will wrap up my comments for Bill 71.

The Chair: — Thank you, Ms. Sproule. Seeing no other questions, we will move to vote this bill clause by clause. We will start with clause 1, short title. Is that agreed to?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 15 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. 71, *The Alcohol and Gaming Regulation Amendment Act, 2012*. Is that agreed to?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would ask a member to move that we report Bill No. 71, *The Alcohol and Gaming Regulation Amendment Act, 2012* be now read without amendment.

Mr. Makowsky: — I so move.

[20:30]

The Chair: — Mr. Makowsky so moves. Is that carried? Agreed. We'll have a short little recess. Or does this minister need any extra officials?

Hon. Ms. Harpauer: — No.

The Chair: — Okay. We can then carry on with bill no. . . . Then we can carry on if that's all right with the members. Are you ready, Kathy?

Ms. Burianyk: — Yes.

Bill No. 77 — *The Horse Racing Regulation Amendment Act, 2012*

Clause 1

The Chair: — Okay. We will then continue on with consideration of Bill No. 77, *The Horse Racing Regulation Amendment Act, 2012*. We will start with clause 1, short title. If the minister, if you have any opening remarks, you may proceed. I believe the officials are the same so won't have to do introductions.

Hon. Ms. Harpauer: — Thank you, Mr. Chair, and indeed the officials are the same. And again for the sake of time, I won't

have any opening remarks.

The Chair: — Ms. Sproule, do you have questions?

Ms. Sproule: — Okay. Thank you. I do, thank you very much. Again I've got a lot of paper here, so I'll just get sorted. I think my questions tonight of the bill itself is fairly straightforward. But I think there are some questions around the scheme in general and indeed the decisions made in relation to home market areas, and so those sort of in context. That's the way I want to approach this tonight.

So if I understand correctly, the Act itself is basically removing the tariff or the tax on the parimutuel betting. So basically it's just removing section 6 from *The Horse Racing Regulation Act*, and then some subsidiary changes in relation to *The Revenue and Financial Services Act* and *The Revenue Collection Administration Regulations* that would bring that into fact. Is that basically the gist of the bill?

Hon. Ms. Harpauer: — Right.

Ms. Sproule: — I have some questions in relation to the impact of this bill and some policy changes in that context in relation to the standardbred racing industry here in Saskatchewan. And I'll probably just start at the top and see how far down I get.

Maybe I'll state my understanding. And then I know you've been in consultation with a number of the people from the standardbred association including the president — I got his right title here — of the Saskatchewan Standardbred Horsemen's Association. And I have some correspondence that he's received, as well as the president of West Meadows Raceway here in Regina.

And if I understand correctly, going back before 2002, there were two active home market areas in Saskatchewan. One in the southern part of the province basically with a line being in Davidson and south, and then north of the line was basically Prairieland — I want to get the right name — Prairieland Park in Saskatoon where they were conducting races there as well.

For whatever reason, the Regina Exhibition Association decided to discontinue racing at Queensbury Downs, and at that point in time, there was no other racetrack in Saskatchewan. So at that point the home market . . . Okay, you can correct me whenever you want. So do you want to jump in now?

Hon. Ms. Harpauer: — Yorkton would have been still in existence, yes.

Ms. Sproule: — Thank you for that. So Yorkton was still running. There was none in Regina at that time. And so the decision was made from the Canadian Pari-Mutuel Agency to extend that home market area to the entire province?

Hon. Ms. Harpauer: — No. The decision at that time would have been the province . . . [inaudible interjection] . . . Yes. Because what the . . . The agency gives the provinces the authority to assign the home market area. And the agreement at the time, and it was more like just a mutual understanding, was that when Queensbury . . . They found that there wasn't enough . . . or an amount of betting to keep both tracks viable. And so

there was sort of a mutual agreement that this was going to be the end of both tracks.

And they had an agreement then that Regina was going to close. Saskatoon then bought the equipment that existed. And my understanding, talking to Yorkton and Saskatoon tracks, was that they also around the same time agreed that Saskatoon would only run thoroughbred. Yorkton then would only run standardbred races. Because I believe both tracks ran both at that time, and they just found there wasn't enough market to keep dividing it so many ways. And so they just went then to the one track applying for the home market area and automatically then getting assigned the home market area.

Ms. Sproule: — Okay. I guess the discussion around whether it was only viable to run one main thoroughbred track and then Yorkton have a standardbred, it's not the same story or the same portrayal of the situation that I've heard. So I think there are competing interests or competing stories here certainly. And I guess the question is the viability. I guess it all comes down to the viability of having a standardbred track here in Regina and Yorkton continuing on as well.

I know there's been a number of grants provided over the years, and certainly if I'm correct — and please correct me if I'm wrong — I understand Prairieland has received probably 90 percent of that grant, and Yorkton would have received around 10 per cent. Is that about the breakdown?

Hon. Ms. Harpauer: — Just to give you a quick history, and then the officials will give you specific numbers if you're interested. At one time the intention of the grant . . . The parimutuel tax was 10 per cent of the dollar that was bet. So when a dollar is bet, 77 cents goes to the winners, leaving 23 cents. Out of that 23 cents, then 10 per cent would be or 10 cents would be taken in tax which would leave the track then with 13 cents. If it was betting on a telecast, then there would also be a fee that would have to be given to the provider out of that remaining 13 cents. So there really wasn't a lot remaining.

At one time the wagering was high enough that the amount that was collected in the 10 per cent tax, the parimutuel tax, was granted back to the tracks, and it was based on I believe — and I can be corrected on this one — the number of race days they ran. The amount they were given was based on the number of race days the track would run.

As the betting dollars decreased over time — and this isn't unique to Saskatchewan by any means; this is something that the industry is struggling with across the entire country of Canada — soon it became that the tax that was collected didn't meet the grant amount, but they kept the grant amount. The government prior and our government had kept the grant amount the same, which then was \$1.5 million, and it again was dispersed to the tracks based on the number of race days that the track would hold. It meant that the racing industry, both thoroughbred and standardbred, became quite dependent on the grant money, which was more than what the tax collected was.

The difference that you're probably being portrayed from some of the tracks is that the Prairieland Park in the last few years hosted 30 race days. West Meadows had four, and Yorkton would have between 10 and 16 in any given year, race days. So

the amount to each of the tracks varied because the number of days varied.

Ms. Sproule: — Statistics here in relation to 2010, 2011, and 2012 . . . And I'm not sure I need to go into all of the detail there. But basically what the information I've been given is that in 2010 there were 30 race days for Prairieland, and their grant was 930,000. Standardbreds had eight days in Prairieland Park. And then Yorkton had 16 days; West Meadows, zero. So thoroughbreds got a total of 30 race days for 931,000. Standardbreds got 24 race days for 389,000. So that was sort of the 2010 amounts. And I'm just giving you the information I have. If you want to comment, you can or not.

2011 was the first time West Meadows was able to get some race meet days, and they received a grant of 64,000 in 2011. And I understand 2012 was basically the same as 2011. Yorkton only had 16 standardbred days in 2012. And although West Meadows applied for 12, they only had four days in 2012, as in 2011.

And I guess the issue that's being questioned here is one of fairness because certainly I think if you look at the numbers, Prairieland is in a much more advantageous spot than any other . . . well certainly West Meadows, but standardbred racing itself.

Now as you know, I believe there are 50 independent shareholders who put up their own money to build the track at West Meadows. I think the expectation, and certainly I believe they acted in good faith and went forward with this with the expectation that the 2002 home market area scenario could be re-enacted. And I think they still believe — and as you know this — they still believe that there's no reason why it couldn't go back to that. I think their feeling is that the thoroughbred industry can develop new markets in off-site betting. And all they're asking for is the Regina market be returned to the Regina entrepreneurs that put up I think it's \$3 million of their own money.

Certainly I know this government supports entrepreneurs, and it seems a bit strange to give a monopoly to one track. And if the only reason behind it, as you're describing, is viability, I think the business numbers that the standardbred association people are showing and the amount of people that came out to their meet and the wagers that were placed is that it is actually viable in both areas and that they could certainly develop the markets. So I guess the minister's comments on that would be appreciated. They seem to make a very compelling case for the viability of the industry, and there is certainly room for, as there was in the past, two home market areas.

Hon. Ms. Harpauer: — I can. This isn't easy decisions as you can well I'm sure appreciate. And it wasn't . . . And so let's go back to the original decision and conversations I've had with all three tracks. And in my area, horse sporting events are well attended. They're great community events. And what I'm talking about is chuckwagon races and barrel racing and roping competitions. And none of them require any government money or any government intervention. So these things can still happen. The family and the community events can still happen.

What was being subsidized was gambling. If there's no purse

involved, the events still take place. So that of course was the original reason of why we discontinued the grants because we weren't necessarily supporting community functions. What we were supporting was the fact that they needed money to offer the purse.

Having said that then, the Prairieland Park approached us and said, you know, we're not viable. We're going to have to close our doors unless you . . . If you discontinue the parimutuel tax, we'll try to put together a business case. And that brought us to the bill that's on the floor right now.

Then became the issue of the home market area. And I know the compelling arguments that you've been giving, but I had to look at the dollars, the history of the dollars that are spent on betting in the province, and they've been declining. I look at the history of decisions that were made in the past, which was that two home market areas didn't keep two tracks viable. And the betting at the time, which was now a little over 10 years ago, the betting dollars at that time were quite considerably more than they are today. So I'm not . . . I understand that this one track feels that there is a lot of money to be had there, but it's considerably less than when the two tracks decided a decade ago that there wasn't enough to keep it going.

[20:45]

So looking at the history, looking at the declining of betting dollars year over year, the other thing was to meet with all of them, as you said — the standardbred association as well as the three major tracks in the province. And the two that have the longest history of course is Cornerstone at Yorkton and Prairieland Park. Both of those tracks said that it's not viable to have a split home market area. Both of those tracks have a lot of years of experience. And one is a standardbred. One of course has an invested interest in keeping the entire province; the other one doesn't have an invested interest. They are running standardbred races. But they have many years of experience. And my advice from that, the operators of that track, is absolutely there is not enough market to divide it.

Okay. With all of that, the other thing that I had to look at was what was being contributed to the province. Prairieland Park has about a 500- to 600-horse inventory. They board and train horses year-round. They have about 300-plus horse owners, of which approximately 250 of them are from Saskatchewan. There's 60 horse trainers, 50 of which are from Saskatchewan; 176 groomers. They're a very large employer of First Nations. And the teletheatres that they run, which is what the home market area allows them to do, they have 30 year-round staff that they have to pay, again, out of the retained 23 cents.

The standardbred tracks don't have that kind of dependency. There are some Saskatchewan owners for sure and groomers for sure and trainers, but a lot of the standardbred horses do come from out of province to race the race, and then they return, and many of them from out of Manitoba.

So then the very difficult decision becomes, do I jeopardize all of those employees at Prairieland Park on the what if? And the history of the declining dollars in betting dictates or suggests that there isn't . . . If there wasn't enough 10 years ago, and there's less now, how is it going to work now?

And the advice of the two tracks that have together well over a decade of experience and history in this particular industry . . . And the other element was that the provider for the telecast is Woodbine out of Toronto is what Prairieland Park uses. I haven't done a follow-up phone call, and perhaps I should. But both tracks as well, both Yorkton and Saskatoon said that unless it's a certain size of market, they won't have an agreement with you. They won't get into an agreement with you to be the provider of the simulcast.

Ms. Sproule: — Unless it's a what market?

Hon. Ms. Harpauer: — A certain size of market.

Ms. Sproule: — A certain size.

Hon. Ms. Harpauer: — Right. So then you look at other provinces. Alberta of course has a population four times ours. They only have two home market areas. They don't divide. Like each track doesn't have its own home market area. I haven't followed up with Woodbine to see, you know, what are they looking for before they'll enter into an agreement, but they won't look at small, is my understanding.

So is it an easy decision? No. But those are the things that I took into consideration before the decision was made.

Ms. Sproule: — I guess it's just a matter of who you believe in this kind of situation. I mean certainly I think the standardbred association's views are that there's an ability to build the market here, and that because the thoroughbred association simply hasn't had to over the last 10 years, that they haven't exercised that entrepreneurial spirit that's required to develop new markets for the teletheatres. And, you know, there's markets to tap in North Battleford and Prince Albert and all kinds of places I think where there's room for them to try and spread that out.

I don't see why Woodbine . . . And I'm just thinking obviously in an uneducated way about this, but there can be sharing of markets. Why can't two home market areas make a deal and work with Woodbine? I mean I think there's ways around almost all the points that you've made. And certainly I think the standardbred association is saying, this is a 100-year-old industry in the province that has a long-standing history, and there's several hundred people here that could gain employment. Like it's a plus-plus situation, rather than just creating a monopoly. So there's some very serious concerns on the part of that association.

Hon. Ms. Harpauer: — I want to comment. We didn't create a monopoly. The monopoly existed and a business was built on it. So this government did not create that monopoly. The monopoly was there and the decision is, basically, do we have more room for more than one contract? And if we don't, then who gets awarded the contract and why? And there's all sorts of reasons why right now today it appears, and the advice of those that have experience in the industry — both standardbred and thoroughbred — are advising that there is only room for one contract. So what do you look at as to who gets awarded that contract when you have . . . No different than a building. You put it out there and you shortlist who's going to get the one contract.

In fairness to the association, and I know you will follow up with this, because Cornerstone will argue who the association's speaking for. Because Cornerstone has put out statements to say, statements made by the association is not speaking for us. They're both standardbred. So is there ways for them to work together? The answer is yes. And Yorkton has . . . Cornerstone, Yorkton Exhibition Association, and the Prairieland Park have been in conversations on how they can start working together to make both of them viable — one thoroughbred, one standardbred.

So the answer is yes there is, and they could do it under one agreement. What they choose to do is of course up to them and what's going to work for them, and I encourage them to continue those conversations. West Meadows can make decisions whether or not they want to work together or not. They haven't to date that I'm aware of. Perhaps, perhaps . . . But definitely Yorkton and Saskatoon have been in conversations on how they can make it work.

The expansions of the markets that I know the proponents of West Meadows have put forward have all . . . Some of them have had teletheatres and they were taken out because they were no longer making money. So it's kind of interesting. You go back to what was . . . what they're saying works, was tried and failed. One of the reasons why they failed, I think the number one reason was, that I was told was, when a casino opens up the teletheatre, the telecast dies. And I can understand that. You know, I can see that probably happening.

I can't see Prairieland Park removing these telecast stations if it was making money. And yet some of the centres that West Meadows says is a great money-making opportunity is ones that it was tried and it failed.

Ms. Sproule: — I understand it's all speculative because we can't possibly know, and I think they feel very encouraged by the turnout they've had in the meets that they have had and that the wagering was healthy and strong, and they know that if they were able to access the full Regina market including the teletheatres and the TABs [telephone account betting] that they would do great business. So, you know . . .

Hon. Ms. Harpauer: — I think in my conversations with them, I asked them if they wanted to pursue further the TAB. At one time they did. They had sent a proposal saying that they wanted to pursue that. In my conversation with them, they were very, very firm in the home market area. They didn't want to discuss sponsoring at that time. I brought up the experience that I've had, and again there's a great turnout to the chuckwagon races. There really is. It's a great event. The barrel racing is well attended. It's the gambling that is making this problematic.

Ms. Sproule: — Well I think the same argument could be said to the thoroughbreds, you know. You could just have the races and people would come out and it would be fun and a community event. I mean, obviously the betting is essential to that industry as well.

Just a couple of points I want to make. I feel I need to bring these up, and I understand that your director of horse racing branch is a former employee of Prairieland and is very closely associated with the thoroughbred racing industry, so would

know that area much better than standardbred. And concerns about, you know, the fact that Mr. Regier, who's I think either the CEO or the Chair of the board of Prairieland is . . . perhaps has, you know, close access to your director. And so those are the kind of concerns — and I don't mean to cast any aspersions, I certainly don't want to — but it's just appearance and, you know, questions that are of concern to people in terms of fairness, I guess. And those kinds of optics are very difficult for people to sort of work with and feel that they're getting a fair hearing. That's just a point I want to raise.

One question I do want to ask is, based on last year's taxes, how much . . . Do you feel the tax cut will benefit the tracks?

Hon. Ms. Harpauer: — Just to comment on what you had said, I didn't know Doug worked for any track. So he didn't influence my decision. Actually I've only actually met Doug one other time. Doug worked for Queensbury for nine years.

Going to your question on the tax. With the tax being eliminated, Prairieland will still be able to retain, I believe it's 350,000 less than they would have got through the grant. So they still have to do some pencil sharpening to make this work.

Ms. Sproule: — They'll be still saving close to \$1 million, right? Like \$800,000 is the figure, I understand?

Hon. Ms. Harpauer: — Yes, 800,000.

Ms. Sproule: — Okay. And I'm just going to go on here then. So Regina wagered approximately \$58,000 over four days; Yorkton, \$85,000 over 16 days; Saskatoon with home market area for the whole province all year, \$8.2 million. So these are total wager numbers, if I understand, with a net take to the track about 23 per cent, which you referred to earlier, plus the 800,000 they now get to keep from tax savings. So it just doesn't seem true that there isn't room for two home market areas. There will be need for adjustment, but the view is that there's plenty of wagering revenue to share. I don't know if you want to make any further comment on that, but that's the view that's being presented.

Hon. Ms. Harpauer: — I understand that's the view that's been presented, but what's happened in the past disputes that. And what's happening in other provinces disputes that. And there are expenses that come, as I said, just to keep the teletheatres. There's over 30 year-round staff. They have wages that need to be paid out of the retained 23 cents. There's a fee that's paid to the supplier, which in the case of Prairieland is Woodbine. There is expenses to keep the facility. There's a lot of expenses coming that 23 cents has to pay for.

So I think we all know business well enough to know that if you're retaining those large numbers, you're only retaining 23, and out of that you have to pay wages and your light bill and your power bill and your facility lease if you're leasing the space. I wasn't comfortable jeopardizing the jobs that are year-round in Saskatoon on the what-if.

Ms. Sproule: — I certainly appreciate, Madam Minister, that this was a very difficult decision.

One of the questions I would like to ask now is a recent

decision. It appears by the ministry to deviate from the normal one-year home market area licence to a three-year plan. Can you comment on the decision to extend it to a three-year licence?

Hon. Ms. Harpauer: — Again it's to allow stability for this track to keep these jobs. It's going to be an ongoing argument that is going to continue going forward. It's not going to, I don't think, change any time soon.

I'm watching other provinces. I'm watching the numbers. And if all of a sudden we see betting numbers increase, we can maybe revisit some of these decisions. But we're not. We're seeing them go down year over year. We just have Manitoba now making a major cut to their horse racing dollars that they're putting into it. The enthusiasm's great to see, but the reality is that people are not betting on horse races the way they used to.

[21:00]

Ms. Sproule: — I guess a large part of that is the changes in gambling in Saskatchewan and the introduction of casinos and VLTs [video lottery terminal] too — right? — which is something we've all benefited from I guess as citizens, and that issue.

I guess in terms of the decision to extend the licence to three years, as you know, I think West Meadows has felt they've been acting in good faith and they've been waiting for a decision for quite a long time from your ministry. And they felt, you know, in some ways that the lateness of the announcement regarding the three-year licensing, which they see essentially is the final nail in the coffin of their several years of hard work and all the people that were looking forward to seeing West Meadows thrive, they just felt that it was almost insult to injury by delaying it.

And do you have any explanation about why this announcement came so late in the discussion and why they weren't advised at an earlier time? When they got the 10 days for the meets, I think the hope there was that they had now met the requirements of the 10 days to get the home market area, and then it seemed like that rug was completely pulled out from under their feet at a very late date. So I don't know if you can share any of the thought processes that went behind the time frames that you followed.

Hon. Ms. Harpauer: — They knew that the grant was discontinued in last year's budget, so they also knew when the home market area isn't usually assigned months and months in advance of the expiration date. I did tell them. When I met with them I told them personally that in sort of viewing what's happening in other provinces, taking the time to meet with all three tracks and getting, you know, advisement from all three, going through the history of the betting dollars throughout the number of years, all of those things was what I based my decision on, and actually gave them the decision a couple months before they . . . before the contract expired.

Ms. Sproule: — All right. I'd like to thank the minister for her forthrightness and appreciate certainly the difficulty that you had with making such a complex and difficult decision.

Certainly there will always be views about what could be, and I think it's a real shame that this may very well be the death knell for standardbred racing here in Regina for sure. And we'll keep following up on this as we see fit, but I appreciate your forthrightness and your explanations that you've provided tonight.

of the Chair. I want to thank the members and the officials for being here tonight. Thank you.

[The committee adjourned at 21:07.]

So, Mr. Chair, I think at this point I don't have any further questions in relation to Bill 77.

Hon. Ms. Harpauer: — Thank you. If I could just make a quick comment. I hope . . . I can't speak for West Meadows, I think Yorkton's very optimistic that they're going to keep theirs viable for a while, so hopefully they indeed can. They have a willingness to work with another track and see what possibilities of expanded market they could look at. So staying optimistic but, as I said, watching what's happening across Canada. It's becoming quite a challenge. I want to thank you and the officials.

The Chair: — Thank you, Ms. Minister and Ms. Sproule.

Ms. Sproule: — I also neglected to but I would like to thank the officials for coming out tonight and all the hard work that you do as well. So thank you very much.

The Chair: — Thank you, and I want to thank you for the questions that were here tonight. They were very informative, and the answers. Seeing no other questions on this bill, I would start with the short . . . I would ask that to vote on clause 1, short title. Is that agreed to?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 6 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and the consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 77, *The Horse Racing Regulation Amendment Act, 2012*. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would ask a member to move to report Bill No. 77, *The Horse Racing Regulation Amendment Act, 2012* without amendment.

Mr. Hickie: — I so move.

The Chair: — Mr. Hickie so moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. With that, since we have concluded our business for today, I would ask a member to move a motion for adjournment. Mr. Makowsky has moved that this meeting is now adjourned. Is that agreed to?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee now stands to the call