



STANDING COMMITTEE ON HUMAN SERVICES

Hansard Verbatim Report

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**STANDING COMMITTEE ON HUMAN SERVICES
2006**

Ms. Judy Junor, Chair
Saskatoon Eastview

Mr. Wayne Elhard, Deputy Chair
Cypress Hills

Mr. Lon Borgerson
Saskatchewan Rivers

Ms. Joanne Crofford
Regina Rosemont

Mr. Don Morgan
Saskatoon Southeast

Mr. Peter Prebble
Saskatoon Greystone

Mr. Milton Wakefield
Lloydminster

[The committee met at 11:45.]

**General Revenue Fund
Culture, Youth and Recreation
Vote 27**

Subvote (CY01)

The Chair: — I call the meeting to order and welcome the Minister of Culture, Youth and Recreation here. I have a document from the minister that I will table at this time, and then I'll invite the minister to introduce himself and his officials and any opening statement he has to make.

Hon. Mr. Hagel: — Thank you very much, Madam Chair. I appreciate the opportunity to do that, and I appreciate the accommodation of committee members to adjusting our time from the previously scheduled, but I think we'll be able to manage to get everybody's objectives achieved. So in order to do that, let me get on with the show here.

I'd like to begin by introducing department officials who are with me here today. To my right is Barb MacLean, deputy minister of Culture, Youth and Recreation. And then the officials who are seated behind, I'll just ask that they would just wave as I introduce them so that members of the committee will know who they are. And also to ask committee . . . officials, I should say, if they are making comment during the session here today to just identify themselves the first time for the purposes of Hansard.

Bryon Burnett is here, the assistant deputy minister; Dawn Martin, the executive director of culture and heritage division; Melinda Gorrill, the director of corporate services branch; Nevin Danielson, the director of youth, policy and programs branch; Harold Bryant, the chief curator for the Royal Saskatchewan Museum. From SCN, Ken Alecxe, president and CEO [chief executive officer]; and Twyla MacDougall, the executive director of finance, strategic planning, human resources at SCN. From the Saskatchewan Archives Board, Don Herperger, who is the Acting Provincial Archivist and director of government records branch.

Now, Madam Chair, simply put, the work of the Department of Culture, Youth and Recreation is focused on contributing to the quality of life in Saskatchewan. That's really, when you try and summarize in its simplest terms, what this department is all about. That's it. It's important to emphasize that we do this in partnership — and that's a huge word for us and a huge concept and a huge commitment — with many organizations and many volunteers touching virtually every community in the province of Saskatchewan, quite literally. I want to pay tribute to the thousands of Saskatchewan people who participate in these organizations. It's the people of Saskatchewan who generate the vitality of our arts, culture, sports, recreation, and heritage sectors.

I also want to acknowledge the growing leadership of Saskatchewan young people in the life of our province, and that's certainly a dynamic in the department as well. Our department sees this first-hand through our work with the provincial youth advisory committee. The committee is

increasingly providing advice and taking action to help ensure that the interests and priorities of young people are reflected in the government's agenda.

We see the increasing influence of young people through the Leaders of Tomorrow program which we developed with the Saskatchewan's Crown corporations, and so certainly their influences go well beyond the Department of Culture, Youth and Recreation. That program of Leaders of Tomorrow has increased representation of young people on the boards of corporations as well.

Our department is also responsible for the Student Employment Experience or SEE, S-E-E program and the Green Team program. Both provide hundreds of student employment opportunities for Saskatchewan young people.

Now here today, we are here to discuss the '06-07 budget estimates of the Department of Culture, Youth and Recreation. But I do want to note for committee members and those who would take interest that a significant portion of the funds provided for this triple focus of our department is actually not drawn from the General Revenue Fund. So when we're talking about Culture, Youth and Recreation, a significant amount isn't in the estimates before us because it doesn't come from the General Revenue Fund and it's because of the unique partnership we have in Saskatchewan for the use of lottery funds. So truth of the matter is that a huge part of the funding related to this department isn't in the GRF [General Revenue Fund] before us.

Last month I was very pleased to join partners from Sask Sport, SaskCulture, and Saskatchewan Parks and Recreation Association to sign a new three-year lottery agreement — very important. And in signing this agreement, the provincial government reduced the share of lottery sales, the government share, to 3 per cent, down from the previous nine and a half per cent in the last three-year agreement — very, very significant. And it represents an annual reduction then of \$8 million to the government revenues that will become available to organizations through funded lotteries.

In this way we're able to shield these groups from reduced lottery profits and to address their increased operating costs. And we're certainly open to discussion related to that. Although technically it's not in the General Revenue Fund, it's a very important part of what the department does.

Over the next three years, almost \$90 million will go to about 12,000 lottery-funded organizations, large and small, across the province. So as you can see, it's a very, very significant part of the operation. These organizations are supported by lottery funds, but they are in fact driven by enthusiasm of hundreds of thousands of volunteer participants.

The department provides policy research and evaluation services to fulfill its role as steward of the government's annual investment in sports, recreation, and culture. And I'd like to briefly mention a number of programs that support the mandate of our department.

The Community Initiatives Fund is managed by an independent

board of trustees. And it receives its administrative support from the department for directing more than \$5.4 million in grants funded by the profits of the Saskatchewan Gaming Corporation. So this is turning profits from the casinos, Regina and Moose Jaw, into good social use through the Community Initiatives Fund.

The government has recently approved the board's recommendations to modify the focus of the CIF [Community Initiatives Fund]. And the fund will support hundreds of community-based initiatives that enhance human development and community vitality with a particular focus for families and young people.

The CIF will also support renewal of the In Motion program to continue increasing physical activity and well-being among Saskatchewan people. And we all recognize the significance of that as we look at some of the health indicators that are affecting us in the nation and the province today.

Now our flourishing film industry is also important both for the cultural expression but also for our economy, and that is in this department as well. It's supported by the department through the core funding for SaskFILM and then also through the film employment tax credit. Those are the ways that we do it, and then through of course the licensing of Saskatchewan productions by SCN [Saskatchewan Communications Network]. So for the players, the film players in Saskatchewan, SCN is also a very important part of that picture.

SCN itself is our regional storyteller as our television network here in Saskatchewan. It's also our educational broadcaster and our facilitator for distance learning. So again you see it providing support for many activities that would be beyond the scope of Department of Culture, Youth and Recreation.

The Saskatchewan Arts Board and the Saskatchewan Heritage Foundation are the central agencies to which the department provides support for a broad range of provincial arts and heritage initiatives. They're crucial to achievement of our department's objectives. Cultural expression and heritage recognition tell us who we are, where we're coming from, and where we're going. And it's that sense of self-identity and celebration that is very much a part of . . . What we do is we influence quality of life for Saskatchewan people.

Also to that same end, our department is responsible for the Royal Saskatchewan Museum which is celebrating — you'll be glad to hear this — its own centennial this year through 2006. So this is the part we go, yahoo! Okay so the Royal Saskatchewan Museum is at an important point in its history this year too.

We also fund the Saskatchewan Archives Board and provide support for independent entities such as the Western Development Museum, Wanuskewin Heritage Park, and the Saskatchewan Science Centre.

So I apologize for taking so long to cover, but as you can see, Madam Chair, although in comparison to many government departments, Culture, Youth and Recreation is not huge in financial terms within the GRF; there is money being spent to achieve the objectives from other sources. But we also see that

it touches on a whole large number of facets of Saskatchewan life. And my officials and I look forward to doing the best we can to respond to questions related to this year's estimates for the year '06-07. Thank you, Madam Chair and committee members.

The Chair: — Thank you. Before I entertain questions, I just want to draw people's attention that we're considering vote 27 on page 49 of your budget book, Culture, Youth and Recreation, and we're now into questions, central management and services (CY01). Questions, Ms. Draude.

Ms. Draude: — Thank you very much and thank you to the minister. It was a long explanation, and now I've got a lot more questions because you're doing a lot in your department. I'm going to start . . . I know that we have a limited amount of time today, and I have a couple of direct questions from individuals who've asked me to get your input.

And the one I'm going to start with is some . . . The artifacts, a gentleman that your department has dealt with dealing with teepee rings, and I had some correspondence with the department when . . . before when Ms. Beatty was the minister, and the cost of some excavation that had thought to be required was estimated at \$27,000. And after they did some work, they decided that the work was going to be between 1,400 and \$4,000, which was considerably better.

But the gentleman that's involved is concerned that landowners themselves are responsible for artifacts. The legislative Act reads that the landowner shall be responsible. And his concern is that landowners should pay for something that belongs to the province especially when they buy a piece of land, and they're not aware that there is something on it that may change business plans and change what they had planned on doing on that piece of land.

There was many people in his area said that they would never initiate some type of project if they knew what was involved. So his question to you is . . . This, in their opinion, is a bad piece of legislation because there are precious artifacts that belong to the people of the province, and yet we're expecting individuals to pay for it. So we're asking if your department has considered looking at the government funding this type of work, or if it's going to be left up to the private people?

Hon. Mr. Hagel: — I'll apologize in advance if I start coughing in the answer here. We'll pause for a refreshment or something if that occurs.

First of all to address, Madam Chair, the hon. member's question directly, the department is not undertaking a review of the legislation. The legislation that exists is similar to legislation, similar requirements in jurisdictions across the country, and it will be in some ways not dissimilar if we think about other sorts of parallels that when development proposals are made privately or publicly, that it will be not uncommon that there would be environmental impact requirements that will come into play. And so in the world of heritage and protection of archaeologically valuable artifacts in our jurisdiction, I don't anticipate, I'm not anticipating a review of legislation to do something differently from other jurisdictions across the country.

Ms. Draude: — Thank you, Mr. Minister. I guess my fear that I want to put on record is that if a business person that has a limited amount of money comes across something that they're not sure what the value is — it could be an artifact that has value to someone and they're not even aware of it — they're not going to fork out \$40,000 of their own money to see if it's going to have some value in the future. So we are in danger of losing some of our artifacts and something that could be valuable down the road.

And I think that in lots of cases the government will say things that are under the ground belong to government in lots of cases. We're talking about oil and gas for example. At that time they want to keep the revenues, and if it's an expense, all of a sudden it belongs to the landowner. So we just want to put on record that it's something that's disturbing to a lot of people and that I have fears of where it might lead to down the road.

Hon. Mr. Hagel: — Let me just respond briefly to your comment, Ms. Draude. Your point is well-made and I take it as presented. It will be, I think, a consideration for all governments relative to defining the responsibilities related to development. And what we have at this point in time in legislation here in Saskatchewan consistent with others is the responsibility in this case to ensure that valuable artifacts are not lost, or if we were sitting in the committee of the Department of Environment legislation there, to ensure that environmental damage is not done related to development, that there will be obligations.

The commitment that I would make to the people of Saskatchewan is that our department will work with developers to . . . with sensitivity about, you know, the cost implications because I quite clearly understand what you're saying and this party would be indicating, and others. And we would do our best to provide advice as to what are the lowest cost ways of dealing with the obligation that comes when a developer makes a proposal. It's certainly our intention and it is . . . To me it is important we do that because if we were frivolous about it you do run the risk of people choosing to ignore. And I think that's the point you're making, there is the risk. And therefore I think it is important that we work together with them to try to find the lowest cost ways of dealing with the obligation and provide advice to do that.

Without you having said — and you probably don't want to put it on record here — but I think I probably am aware of the developer you're referring to. And in that case, if it is who I'm thinking of, I think there has been contact from the department in that regard.

Ms. Draude: — Thank you again, Mr. Minister. I guess if this particular individual wouldn't have been so determined to move forward on it and looked at a bill of \$40,000 and said I can't do it, and then when it's re-looked at and we find out it's considerably less — 10 times less — we could have missed an opportunity for our development and maybe still have. So when it comes to the lowest cost we have to make sure that they're given it immediately and they don't have to be persistent.

I also think that this sort of a carrot-and-stick work that you're doing right now because even though other jurisdictions may be doing this, Saskatchewan just celebrated its centennial. We're 100 years old and we're losing a lot of our artifacts and if we're

going to do something for our people let's do something that's long-lasting and work with people who may have, you know, may find something that's going to have value. So it's one thing to say it's what everybody else is doing but if everybody else isn't doing it right then there's no point in doing it the same way. So I think it could be looked at.

I'm going to move on to another area. There's lot's . . . I'll probably leave the centennial questions until next time just to make . . . just so we can give you something to look forward to.

I want to ask about the Mendel Art Gallery. I understand that in our conversations last year there was an indication that there was going to be money given to Saskatoon and I know they were looking for about \$2.5 million for capital funds for the Mendel. And I believe that they were, I think that they were, say, disappointed that they didn't get the money. Can you tell me where in the plans the money will be for the Mendel Art Gallery?

Hon. Mr. Hagel: — In response to the hon. member's question, Madam Chair, the request I think from the Mendel was in the amount of \$4.5 million. And as I understand it, there was also then a request in their development plan to the city of Saskatoon as well as to the Government of Canada through the Government of Canada centennial grants program. And the Mendel Art Gallery is a city facility.

There is not funds in the department's budget this year that are targeted to go to the Mendel Art Gallery, and they've had that communicated to them. I think it was disappointing to the Mendel to have not received funding from either of the other levels of government as well.

Although it will not be a consolation to the Mendel Art Gallery specifically, there was a decision made, as you'll recall, an announcement made that would have been in, I guess it would have been in the end of February, where there was one-time capital funding that was sent to municipalities to use as they would define their own priorities. It was my hope that in this case, given that the Mendel is a city facility, that the capital funds that went to Saskatoon — I believe in the amount of . . . I'm not sure of the exact amount, but it's 5 to 6, about \$6 million — that some of that would have met with the city's priorities and been transferred to a capital requirement or request being made through the Mendel. To the best of my knowledge the city of Saskatoon is not . . . doesn't have the Mendel in its priority for that amount of money. So that I had seen as a possibility to flow provincial funds. Well it certainly was a possibility, but our government respects that that money was transferred fully respecting that the priority uses were to be made by the city.

Ms. Draude: — So when is your government looking at putting the Mendel Art Gallery on the list of capital improvements?

Hon. Mr. Hagel: — Madam Chair, in response to the hon. member's question, there isn't a specific plan in place to respond to the Mendel at this point in time. If I can just take a moment to give a context for my answer as well.

It is the case for Saskatchewan, similar to other provinces across the country, that there are a fair number of legitimate —

and I underline the word legitimate — desires for capital investments in the whole world of sports, culture, and recreation, in all of those. And just a quick assessment of, or basic assessment at this point in time about the legitimate request or desire or need — pick your word — in Saskatchewan when you add those together, comes to an estimated about \$600 million. So this is obviously a large figure.

One of the things that I have been encouraged about when I came to the portfolio is that it has been recognized in, now in this case ministers of sport . . . But that's a significant part of the whole facilities picture that in the fall there were discussions taking place where Canada was recognizing that a lot of the facilities across the country, Saskatchewan and beyond, were built in or around the Canadian centennial year. So they're about 40 years old. And so it's a big issue with which our department wrestles because we have a large number of needs in these areas moving forward.

I'm looking forward to the national meeting of ministers of sport in June. And when I go there, and together with other ministers from provinces and territories, together with the federal government, it will be this minister's input there that I think the needs here in Saskatchewan, our top three priorities are infrastructure and infrastructure and infrastructure. Because the kind of request that we're getting — and these are legitimate requests — are growing, and they are legitimate.

And I think what we need in order to be able to effectively respond is the kind of model that Mendel was proposing which brings together federal, provincial, and municipal funds. So that's more than just a specific response to your question, but it defines for me a direction that we want to go to deal with similar kinds of requests in the province.

The Chair: — Mr. Morgan.

Mr. Morgan: — Mr. Minister, if Mendel came to you looking for advice, should they renew their application again in a subsequent year or should they wait until they have a commitment from the federal government? Is there a likelihood the province would match what's happening in the federal government? Or is your message to them, go away entirely and look entirely to the city?

So I'm looking for something definitive that we can go back to the citizens of Saskatoon with.

Hon. Mr. Hagel: — My quick advice is that it would be my advice to renew their application with the province for a couple of reasons. One is, as our department puts forth requests for funds in the whole budgetary allocation world, if we don't have the request to us then we're not able to support those as we make the case for funds. So that's important.

And secondly, it is . . . in terms of coming to us, it's important as we look to do what we can to develop a plan, which I would like to see a federal-provincial-municipal collaboration in dealing with these kinds of capital requests. So my advice would be in terms of the province, yes keep the application alive. But my advice similarly would be to the federal government and the city as well, that they would make sure that those two levels of government are aware of their development

proposal. And because if we're able to in some substantial way begin to respond, I think my prediction is that will be the kind of structure that will enable us to collectively to respond. So that would be my advice.

Mr. Morgan: — Minister, my understanding was that the federal government didn't turn it down. They've turned it down only through a western diversification and are looking at the application through a Heritage Canada grant.

And then I think there was a perception that the federal government was going to fund it so then the province didn't fund it, so then the city didn't fund it. So it looks like the Mendel has gone three places and been turned down all the way.

So I'm wondering what your position would have been had the federal government made a commitment because it's my hope that the federal government will make a commitment in the reasonably near future. And then I think your department can expect the Mendel to be back with a renewed application. And that's certainly my intention to encourage them to do that.

And I realize there's actually four funding entities that are involved: there's the city, the province, the federal government, and the private sector. And what this has done has put a sort of a chill on the private sector. People are saying, well nothing's happening at any of the three levels of government, so we're not going to give you any money to set aside. So it's dampened that.

So a positive message from the province that you would intend to fund if the other levels would — you know, a conditional commitment — would certainly go a long ways to satisfying. And I certainly hasten to add that there is a number of seats in Saskatoon that your government still holds.

Hon. Mr. Hagel: — I'd suggest you get used to that phenomenon, Mr. Morgan. It is a attractive characteristic of the vibrant city of Saskatoon that we know and love and hope to continue. And let the . . .

It sometimes is difficult to respond, as I know you understand, to theoretical questions. In this case it's not. We simply . . . Had the federal funds come forward to the Mendel, the province was not in a position where we would have been able to respond in this fiscal year as I've explained. And as I've explained as well, my vision of what I would like to see developed to address Mendel and many other kinds of legitimate sports, culture, and recreational facility wishes in the province.

When you look at something you say in Saskatchewan terms is a \$600,000 challenge . . . sorry, 600 million — goodness gracious, give me extra three zeros here — \$600 million challenge as we understand it in its basics now. If we're going to respond meaningfully to that, I don't know how we'll be able to do that without the tripartite, and including, I'm sure in many cases, private sector involvement. So that's where we're going.

Mr. Morgan: — A shorter, easier answer might just simply have been, yes.

Hon. Mr. Hagel: — It would have been a shorter answer, but it

would not have been an honest answer. And so we . . . Happy to give you the straight goods. And yes, there we are.

Mr. Morgan: — Thank you for keeping it under consideration.

Hon. Mr. Hagel: — You're welcome.

The Chair: — Ms. Draude.

Ms. Draude: — Thank you. Mr. Minister. I'm going to the Arts Board. I read an article awhile ago by Randy Burton that clarified some issues for me and one of them was the fact that the budget for the Arts Board has been 5.28 million for two years in a row.

And last year with the increase to many departments and the fact that the arts has contributed a lot for every dollar they get, to me it seemed very appropriate . . . Especially after the centennial last year when so many of the communities had an overwhelming response at their homecomings as a result of many of our local artists and the work that they had done, it didn't seem that they had benefited at all from the work. And most of it was volunteer work that they had put in to making Saskatchewan's homecoming a success in many ways.

The arts themselves, and I only now am understanding the complexity of the organizations and the way they are working, but I am surprised that the average income for artists in Saskatoon is just over \$16,000. And yet we all know that people come to this province for many reasons and one of them has to be what they get out of life besides their working conditions. And I'm surprised that your government decided not to increase the funding to the arts. How did you make that decision?

Hon. Mr. Hagel: — Well as a matter of fact we didn't. Just hang on here, I'll get a little more detail. I'll be right back.

Okay if you just want to hang on for some positive news here, first of all, Madam Chair, I'm happy to report that, well that Mr. Burton wasn't entirely correct. That's not the part that makes me happy. But the part that makes me happy is that the information about his concern for the Arts Board wasn't totally accurate in its description.

The Arts Board has received funding increases of \$500,000 each year over the last previous three years. So since 2003, Arts Board funding increased 38 per cent. Now this year was held whole. But you'll recall I referred earlier to the funding that flows to sports, culture and recreation in Saskatchewan that's outside of the GRF. So we have the GRF before us, and if you look there and you look at the Arts Board, you say, last year, this year — 5.3 million — same. And that's accurate, but it doesn't reflect that it had huge increases over the last three years.

In the lottery funding agreement, when that reduced from 9.5 per cent government share of the lotteries down to 3 per cent, then that meant that there was additional funds in the amount of about \$8.37 million that would go to sports, culture and recreation, and the culture part of that would be about \$2.9 million. So that lottery agreement that I signed effective April 1 — signed in March, effective April 1 — provided, as compared to the previous agreement, an additional \$2.9 million to cultural

spending in the province of Saskatchewan . . . now agreed, not in the GRF, but through a different vehicle.

And when you put those things together, one of the things I think that is useful for us to know, those of us who care about the arts, would we like to spend more? Of course we would. And is that our objective? Of course it is. But I think it's important as well just to take note that when you look at the per capita funding to the arts in Canada, that I'm very pleased to tell members of the committee that Saskatchewan is second in the nation. When we look at per capita funding for arts in our province, we're no. 2 in Canada. The province of Quebec has a higher per capita expenditure for support for the arts in the nation, but Saskatchewan is no. 2.

So would we like more? Of course we would. Does it contribute to the quality of life? Of course it does. And does that mean we should continue to do that? Of course that does. And was there increase in fiscal support for the arts this year? Of course there was; it was in the lottery funding this year. And our position in the nation is one that's not bad, I'd say. Many would say second's not bad.

Ms. Draude: — Thank you, Mr. Minister. And maybe I misquoted Mr. Burton, and I would really not like to do that. So I'm going to make sure that I said the budget was unchanged at 5.28 million for the second year in a row, and I think you probably did say that. And I understand that the other money came from the changes in the lottery funds, and you had said in your preamble that there was about 90 organizations that received funding from the lottery funds.

Hon. Mr. Hagel: — Twelve thousand organizations. Oh, I'm sorry; it was \$90 million over the next three years.

Ms. Draude: — Is going to 12,000 organizations.

Hon. Mr. Hagel: — That's right, flowing through the lottery funds. So when you say well you know, I mean . . . Here's a little commercial for buying your lottery ticket, that even when you lose you still win here in Saskatchewan because that . . . The revenues from those lotteries, the anticipated revenues over the course of the next three years, will be about \$90 million and that will flow to sports, cultural, and recreational organizations in Saskatchewan of whom there are about 12,000.

So when I was saying earlier about the immense value of the, you know, volunteerism in Saskatchewan to support those, I mean I rest my . . . you don't have to go any more than that just to describe it that way.

Ms. Draude: — Okay and thank you again for the clarification. And I guess part of my previous point was that last year these organizations worked very hard, and I suppose maybe some of them will be getting more money, but 12,000 organizations will each get some funding. Thirty million dollars is the amount of money that goes to the arts through the lotteries . . . per year I mean.

Hon. Mr. Hagel: — Per year about 30 million go to sports, culture, and recreation. And the arts, the arts portion of that will be about 8.35 million.

Ms. Draude: — And how much . . .

Hon. Mr. Hagel: — Sorry, that's to the cultural. So it's sports, culture, and recreation, and the 8.35 is to the cultural sector.

Ms. Draude: — And the administration of applications and the costs for doing that . . . Can you tell me how many people work on that and how much of the cost is administration?

Hon. Mr. Hagel: — Madam Chair, to the hon. member, the organization then, the culture . . . the umbrella organization that the culture organizations deal with is SaskCulture, and they then will allocate funds that they receive through the lotteries process on an adjudication. They have an adjudication process that's been well established, and it's strongly supported by the organizations themselves. I don't have the information here to tell you the number of people and the cost of administration but just for . . . and we'll provide that for you.

Now can you just clarify for me, so I know what the question is, are you asking the number of people who work at SaskCulture? Is that . . .

Ms. Draude: — I think that is in the book, the number of people. I'm wondering how many people specifically work on determining who will get this breakdown of the funding.

Hon. Mr. Hagel: — Okay. Because actually the SaskCulture won't be in the book because the SaskCulture . . . This is through the lottery funds which are not GRF so you won't have . . . What you're asking for is information that's outside of the department.

Ms. Draude: — Okay.

Hon. Mr. Hagel: — And so I think what you're asking — maybe I can just paraphrase to see if we've got it correctly — the number of employees at SaskCulture.

Ms. Draude: — Right.

Hon. Mr. Hagel: — And then the number of employees who are engaged in the adjudication process, is that . . .

Ms. Draude: — That's correct.

Hon. Mr. Hagel: — Okay. And then the cost of administration at SaskCulture in total or engaged in the adjudication process or both?

Ms. Draude: — Let's do both.

Hon. Mr. Hagel: — I kind of thought you might go for that one, so okay.

Ms. Draude: — Yes.

Hon. Mr. Hagel: — Well I appreciate that and we'll . . . The clarification will provide that.

Ms. Draude: — Okay thank you very much. The amount of money that is given out is through an adjudication process. That probably has specific terms of reference, and can we get a list of

how the adjudication process works?

Hon. Mr. Hagel: — Yes, yes it is. And we'll provide that . . . [inaudible] . . . have that here today.

Ms. Draude: — Okay. And is there also a list of people who or of organizations that would have applied and not received funding? Or does everybody receive something?

Hon. Mr. Hagel: — Madam Chair, to the hon. member, there will be about 30 provincial cultural organizations. For example, Saskatchewan Drama would be one, and there would be about 29 others. And then there will be . . . So the drama clubs and organizations at the local level will make their applications to their provincial cultural organization. So their applications wouldn't go to SaskCulture.

So what you have with the lotteries' funds . . . And Saskatchewan's kind of unique here again in many ways in marrying together the co-operative effort and the public provision of resources. It's one of the things that, when I was minister responsible for Housing, I always thought helped to make the housing system work here in Saskatchewan. That's a different story for another time.

But with SaskCulture, you'll have three umbrella organizations. There'll be SaskCulture for the cultural ones, Saskatchewan Parks and Recreation for the recreation side, and SaskSport for the sports side. And then they will each have provincial organizations that they fund, and then those organizations will have the locals. And when you add all of those locals up together, it comes to about 12,000. So it's a pretty sophisticated system. It's been developed over a period of time.

We've been doing lotteries since the late '70s, so it's been about 30 years that we've been doing it this way in the province. Each of these organizations will have their input. And changes will be made over a period of time, but quite frankly, I think they're never dramatic because, I think, by and large the sports, culture, and recreation system in Saskatchewan accepts it and is of the view that it's working reasonably well.

Ms. Draude: — Thank you. I appreciate that some of these things are working very well. I won't agree with you that lots of things are in the province, but I would think this is one that there is a lot of volunteers working in this area with the three organizations.

Hon. Mr. Hagel: — Ms. Draude, if we could spend a little more time there, I'm sure that you'd feel differently about this but . . .

Ms. Draude: — We probably don't have enough time. I would . . .

Hon. Mr. Hagel: — I have confidence . . .

Ms. Draude: — There's two . . . I'm also going to ask you, I asked for a breakdown of the number of employees and the administration in the culture area, but since you've mentioned the other two, I'll ask you for the breakdown in those areas as well.

And just one other question, I know we have to go, but I know there was about \$700,000 given to the Junos last year, or was projected to spend or a proposal for the . . . Can you tell us, is that outside of the money that was budgeted for at the beginning of the year? And if there is . . . Is it above what you had originally projected? Where did this money come from?

Hon. Mr. Hagel: — Madam Chair, to the hon. member, the funds that you're referring to are part of a series of bids to bring music awards to Saskatchewan in next year, two of which have been successful in achieving the Junos and the Canadian Country Music Award, the Junos in Saskatoon in March and . . . yes, March '07 and the Canadian Country Music Awards here in Regina which would be in September '07.

We're also . . . this is Saskatchewan's year to host the Western Canadian Music Awards. The location has not been determined on that, but we anticipate that for '07. And then are also working to achieve an Aboriginal Music Awards for Saskatchewan next year as well.

So the funds that have been provided, some of which was in the previous budget, and then some of the \$700,000 this year goes towards fees. The Juno event fee is \$1 million in total; 500,000 of that is from Culture, Youth and Recreation. And then there is a support for the Canadian Country Music Awards here in Regina. So that describes where that money is being used that comes out of this year's budget.

Ms. Draude: — Where does the rest of the money come from? And possibly tell me how much the other two events are going to cost as well.

Hon. Mr. Hagel: — Thank you, Madam Chair, and to hon. member, first of all the Junos, as I said, 500,000 is from the department in the event fee. There is a corporate sponsorship from SaskTel in the amount of 250,000, and then a sponsorship fee from the City of Saskatoon in the amount of \$250,000.

On the Canadian Country Music, the City of Regina has dedicated \$60,000 as well to that fee. And the officials advise me as well that, although it's not here on the line you're referring to, Saskatchewan has an annual fee of \$20,000 a year which goes to the Western Canadian Music Awards, and those Western Canadian Music Awards will rotate. So we contribute to them annually in the amount of \$20,000. It brings together then four wards from the provinces of Saskatchewan, Alberta, Manitoba, British Columbia and the Yukon Territory. And so those will be the dedication of funds.

On the Western Canadian Music, the budget there has not been finalized, and that will happen in the not too distant future, I expect, as it's finalized what location in Saskatchewan will be chosen to host the Western Canadian Music Awards in '07.

The Chair: — Seeing no further questions, then I'll thank the minister and his officials.

Hon. Mr. Hagel: — Glad to be here, Madam Chair. I look forward to further discussions. Thanks. Thank you very much.

The Chair: — The next item up for consideration before the committee is Bill No. 47, The Business Names Registration

Amendment Act, 2006. Just wait for a moment while the officials all change.

Bill No. 47 — The Business Names Registration Amendment Act, 2006

Clause 1

The Chair: — Welcome to the minister. Again if you could introduce your officials, and if you have an opening statement to the Bill you can do it now.

Hon. Mr. Quennell: — Thank you, Madam Chair. I am joined this afternoon by Tim Epp, Crown counsel, legislative services branch; and by Phil Flory, registrar of corporations.

The Business Names Registration Act serves two primary objectives. One is to allow the public to know who it is they are dealing with when they conduct business. The other is to enable businesses to maintain exclusive use of a business name through registration under the Act. Provisions of the Act are currently not broad enough to accommodate all those who reasonably wish to register a business name. This has created frustration for entities such as limited partnerships and Indian bands who wish to register business names under the Act.

The amendments include a new definition of the term person which will expand the scope of the Act to accommodate registration by Indian bands and limited partnerships. The amendment's parallel provisions contained in the Partnership Amendment Act, 2006, currently before the legislature, that enable Indian bands and limited partnerships to become partners within the meaning of the Act. And of course we discussed that legislation in committee yesterday.

Two categories of exemptions in the current Act are also impacted by these amendments.

The first is the exemption for entities whose sole business is the primary production of agricultural products. This exemption was enacted in 1987; however there have been developments that would suggest this exemption is no longer serving the interests of the agricultural community. The amendments will repeal the exemption for agricultural producers, allowing them to protect the exclusive use of their business name. This will put agricultural businesses on an equal footing with other businesses in the province. The modest filing requirements will allow those producers who choose to operate under a business name to protect the exclusive use of that name in the same manner as other businesses in the province.

The exemption regarding professionals is also amended in this Bill. Problems have arisen where professionals use generic or geographical names under which to carry on business. The exemption has meant professionals who do register such business names have not been able to safeguard exclusive use of the name, resulting in confusion in the marketplace and potential loss of business. The proposed amendments will leave the exemption in place for professionals who practice under their own surname or the surnames of others who are or have been associated with the firm. Professionals who carry on business under names not containing a surname will now be required to register under the Act.

The Bill also contains some provisions that are of a housekeeping nature. These amendments respond to concerns expressed to us by the agricultural and business communities in Saskatchewan. The amendments will assist Saskatchewan businesses in protecting the goodwill associated with exclusive use of their business names. In addition they will protect public interest in knowing who it is that they were dealing with when conducting business in the province.

The Chair: — Thank you. Questions by members? Mr. Morgan.

Mr. Morgan: — Madam Chair, the Bill is a companion Bill to The Partnership Act. I made comments on that Bill when it went through committee indicating the strong support we had for the First Nations community wanting to be able to trade using a business name and for entering into a partnership. This allows them to do similar things in their own setting without having other partners. And we are obviously want to be very supportive of that. It also deals with professionals and with farmers that want to carry on under a business name and give some protection.

We are supportive of this Bill and are prepared to vote.

The Chair: — Seeing no further questions then. Clause 1, short title. Is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 16 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: An Act to amend The Business Names Registration Act. Could I have member move a motion that we report this Bill without amendment. Mr. Morgan. Thank you. All agreed?

Some Hon. Members: — Agreed.

Bill No. 40 — The Income Trust Liability Act

Clause 1

The Chair: — Thanks very much to the minister for that. We have you back on for consideration of Bill No. 40, The Income Trust Liability Act. If you have any opening remarks to this again, please do so. And if you have new officials, I will entertain an introduction.

Hon. Mr. Quennell: — Thank you, Madam Chair. Tim Epp remains up here with me, and I'm joined by Barbara Shourounis, who is director, securities division, Saskatchewan Financial Services Commission.

The Income Trust Liability Act will provide important protection from liability for investors in Saskatchewan's income trusts. Income trusts have become an increasingly popular investment vehicle since the mid-1990s. Income trusts are publicly traded investment entities that utilize the tax efficient distribution of cash flow generated from underlying business

operations or assets that come in a variety of guises.

Income trusts may be a royalty trusts, real estate investment trusts, or business trusts. They have become popular with investors because of their ability to produce cash flow in a manner which reduces tax liability. Popularity of income trusts lies in the fact that, unlike corporate dividends which are taxed at the corporate level and again in the hands of the shareholders, funds distributed to the unitholders of trusts are taxed only once in the hands of the unitholder.

Although the liability of the unitholders has not been a significant problem in the past, there is concern that in situations where the trust property is insufficient to cover the liabilities of a trust, beneficiaries may be called upon to indemnify the trustee. Although the potential for such a scenario is remote, it has discouraged some individual investors as well as institutional investors, such as pension funds, for investing in income trusts.

This Bill follows legislation which has recently been introduced in other Canadian jurisdictions. The Alberta Income Trust Liability Act came into force on July 1, 2004. Ontario enacted the Trust Beneficiaries' Liability Act, 2004 in December of 2004. Manitoba passed The Investment Trust Unitholders Protection Act in June, 2005.

The intended effect of this legislation is that unitholders of the Saskatchewan income trust, that is a trust governed by the laws of Saskatchewan that is a reporting issuer within the meaning of The Securities Act, will receive limited liability protection similar to shareholders of a corporation. Although there are currently no Saskatchewan income trusts that are reporting issuers, many Saskatchewan investors have invested in income trusts created in other jurisdictions and enjoy the protection of similar legislation in those jurisdictions. In addition some Saskatchewan businesses form part of the operating entity for income trusts created in other jurisdictions.

The Saskatchewan legislation will provide the level playing field necessary to facilitate the creation of such entities in this province. The limited liability protection offered by this legislation will serve to increase investor confidence in income trusts and facilitate institutional investor and pension fund involvement in income trusts.

The Chair: — Thank you. Questions by members? Mr. Morgan.

Mr. Morgan: — The minister had indicated that this Bill, part of it with companion provisions in a number of other provinces, is that the situation with both Alberta and BC [British Columbia] at the present time?

Mr. Epp: — Yes. Tim Epp, legislative services. British Columbia has not yet passed legislation in this regard. Manitoba, Alberta, and Ontario have. Our expectation at this point in time is, although there is nothing official from those jurisdictions, that other jurisdictions will be following suit.

Mr. Morgan: — Is this Bill based on a uniform model?

Mr. Epp: — No, not a formal uniform model. It is fair to say

that the two models that are currently in existence are quite similar; that would be Ontario and Alberta's legislation. They are quite similar with a few minor drafting differences. This legislation follows closely the Alberta model, but in our view doesn't differ in its legal results from the Ontario or the Manitoba legislation.

Mr. Morgan: — Has there been consultation with investment brokers in Saskatchewan at all?

Mr. Epp: — There hasn't been direct consultation by the department as such, other than through some rather straightforward advice given to a number of individuals in the investment community that this legislation was being contemplated. The other consultation that was done was through the Canadian Bar Association with the business law sections.

Generally speaking, there is a fair degree of knowledge of this issue within the investment community due to the legislation which has been introduced in Ontario and Alberta. In particular most of the people in the marketplace and in the industry of course are dealing on an extra-jurisdictional basis and have dealt with this issue in those other jurisdictions and were well aware of it. And we certainly haven't heard any word of any opposition to the proposed legislation.

Mr. Morgan: — We're supportive of the notion of what's . . . [inaudible] . . . because we support the idea of income trusts. What we're concerned with was whether you've received any adverse feedback from any of the consultations that have taken place, either through knowledge of what's happened in other provinces or otherwise.

Mr. Epp: — No, we haven't received any.

Mr. Morgan: — Madam Chair, we're ready to proceed with this Bill.

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

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 5 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: An Act respecting Income Trusts. Could I have a motion to move that we report this to the House without amendment? Mr. Prebble. Thank you. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Thank you to the minister and his officials. And as it is before the time agreed of adjournment, could we have a motion to adjourn?

Mr. Elhard: — I so move.

The Chair: — Mr. Elhard. Thank you. All agreed?

Some Hon. Members: — Agreed.

The Chair: — This committee stands adjourned.

[The committee adjourned at 12:51.]