

**HANSARD**

**NOVA SCOTIA HOUSE OF ASSEMBLY**

**COMMITTEE**

**ON**

**PUBLIC ACCOUNTS**

**Wednesday, June 12, 2013**

**LEGISLATIVE CHAMBER**

**Trade Centre Limited**

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## **Public Accounts Committee**

Hon. Keith Colwell, Chairman  
Mr. Howard Epstein, Vice-Chairman  
Mr. Clarrie MacKinnon  
Mr. Gary Ramey  
Mr. Mat Whynott  
Mr. Brian Skabar  
Mr. Andrew Younger  
Mr. Chuck Porter  
Mr. Allan MacMaster

[Ms. Becky Kent replaced Mr. Gary Ramey]  
[Mr. Sidney Prest replaced Mr. Brian Skabar]  
[Ms. Kelly Regan replaced Mr. Andrew Younger]  
[Mr. Keith Bain replaced Mr. Chuck Porter]

In Attendance:

Mrs. Darlene Henry  
Legislative Committee Clerk

Mr. Jacques Lapointe  
Auditor General

Mr. Terry Spicer  
Assistant Auditor General

Mr. Gordon Hebb  
Chief Legislative Counsel

## **WITNESSES**

### **Trade Centre Limited**

Mr. Scott Ferguson, President and CEO  
Ms. Carrie Cussons, Chief Financial Officer



House of Assembly  
*Nova Scotia*

**HALIFAX, WEDNESDAY, JUNE 12, 2013**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

9:00 A.M.

CHAIRMAN

Mr. Keith Colwell

VICE-CHAIRMAN

Mr. Howard Epstein

MR. CHAIRMAN: Order, please. I'd like to call the meeting to order. We will start with introduction of our members; I'll start with Mr. Whynott.

[The committee members and witnesses introduced themselves.]

MR. CHAIRMAN: Good morning and I'd like to welcome our guests this morning. I would ask them to make a presentation now, Mr. Ferguson.

MR. SCOTT FERGUSON: Thank you, Mr. Chairman, and members of the Public Accounts Committee. I'm certainly pleased to be here on behalf of Trade Centre Limited to offer a few comments this morning. As you know, Trade Centre Limited is a provincial Crown Corporation that operates and owns the World Trade and Convention Centre, Ticket Atlantic and Exhibition Park. We operate the Halifax Metro Centre on behalf of its owners, the Halifax Regional Municipality.

We are simply in the events business. We work to attract the right events to our city and our province. The events that will have the most impact on all of our citizens, the events that align with our sectors of strengths, the events that allow us to showcase what we do best - hosting and delivering world-class service on the international stage.

One aspect of our business that we're very proud of is our ability to host a wide variety of events. In the same week we might host a gala fundraiser, a rock concert, an international conference, a hockey game and a public expo. This variety means that we interact with thousands of visitors to deliver an exceptional experience they will not forget. Over the past five years we have hosted over 4,000 events, 3.6 million customers and \$447 million in direct visitor expenditures.

I'd now like to speak to the Auditor General's Report of November 2012. I recognize that last Fall's report from the Auditor General raised a number of issues that we needed to address. The Auditor General came back with 19 specific recommendations for Trade Centre Limited. As a Crown Corporation with responsibility to the taxpayer, our board of directors, our senior management and our team take the Auditor General's advice seriously. Indeed, many of the recommendations had already been acted on at the time the report was published. I am pleased to report that as of March 31<sup>st</sup>, Trade Centre Limited has completed 13 of the 19 recommendations made to this organization, with the remaining recommendations well on their way to completion.

My colleague and I would be pleased to answer any questions you might have on the Auditor General's findings and our response to those recommendations. Before we do that, I would like to conclude by providing you a little bit of an overview of the other things the Trade Centre Limited has coming up this year.

One initiative that we're very proud of is the 35<sup>th</sup> Anniversary of the Halifax Metro Centre. Since opening in 1978, the Halifax Metro Centre has played host to more than 5,000 events, attracting more than 15 million customers. As you may know, the Halifax Metro Centre does not receive any funding but contributes a significant revenue to the city, HRM, its owners. Over the past five years, this has resulted in a profit of \$2.3 million being returned to HRM and the municipal taxpayers.

The Metro Centre has enjoyed another standout year, thanks in particular to our anchor tenant the Halifax Mooseheads, who recently won the Memorial Cup in Saskatoon. We also continue to see a steady stream of concert and special event activity from Leonard Cohen, Keith Urban, Tom Petty, Cirque de Soleil and, of course, our own Royal Nova Scotia International Tattoo that are celebrating their 34<sup>th</sup> year this year as well.

Looking forward, a significant priority for Trade Centre Limited of course is making the most out of the tremendous economic potential afforded to our province by our new convention centre scheduled to open within three years, in January 2016. We are in the process of executing a multi-year marketing and sales strategy that will promote our new centre to national and international markets. Our new facility will allow us to host larger and multiple conferences, making us competitive with other North American destinations, attracting new events, new dollars and new jobs to Nova Scotia.

Our efforts are already bearing fruit. I am pleased to update the committee that we have already been successful in attracting five national organizations to our new state-of-the-art facility with many strong leads in front of us: Canada's Venture Capital and Private Equity Association, the Canadian Library Association, the Canadian Orthopaedic Association, the Canadian Association of General Surgeons and the Co-operative Housing Federation of Canada. These five conventions alone are expected to bring more than 4,000 people to Nova Scotia and generate an estimated \$5.5 million in direct economic impact.

Over the past year, we've been very busy. We've met with more than 50 organizations, businesses and community-influencers throughout the province to discuss the unique opportunities associated with the new convention centre. We are focused on the event-rich priority sectors such as health, life sciences and oceans. For example, this year in our current facility we will host the 2013 BioMarine International Business Convention. This event is expected to bring 800 people from around the world together to create investment opportunities for biomarine resources. It will attract entrepreneurs that are looking to commercialize some aspect of marine technology. The biomarine sector accounts for approximately \$176 billion worldwide each year.

Furthermore in 2014 we will host the International Conference of Biomagnetism. You may recall the success that Ryan D'Arcy and Don Weaver from Dalhousie have had in commercializing their technology in and around the Halifax concussion scanner. We'll also be hosting the International Conference on Ocean Energy.

I hope this gives you a good overview of Trade Centre Limited's business and the important role we play in contributing to the community and economic development of Nova Scotia. Our long-term vision is simple and clear - to make Halifax and Nova Scotia Canada's East Coast event destination on a global stage.

With that said, I'm happy to entertain any questions and I thank you for the opportunity to open this morning.

MR. CHAIRMAN: Thank you. Ms. Regan, you have 20 minutes.

MS. KELLY REGAN: When we're dealing with the market projections report prepared by Trade Centre Limited in 2010 to support government investment in the new convention centre, the AG reported that that report, "... lacks the appropriate analysis and rigor expected for such a significant proposal." Who did the analysis for you and why did the AG conclude what he did?

MR. FERGUSON: The analysis was actually conducted over a number of years. It would have started with our earlier conversations with our customers back over the past 20 years and started with our own collection of our lost business. We noticed a great deal of business that we were losing and we started to document that and identify it; over 110 organizations that were unable to come to Halifax with their convention. The reason for

those 110 turndowns was because we either did not have sufficient space or we were too small. The space was not available because as a convention centre we only can host one conference at a time and really any convention centre around the world is built to host multiples, or the fact that the quality of the space was not up to their standard.

We kept that record as our first record and since then we have done a significant amount of primary as well as secondary research through three firms locally. We have continued to interact with our customers - in fact, if you look on-line we've published 15 individual reports over the past three years on the convention centre project. Many of those reports in one form or another are providing the research that we relied on. That information was available publicly over the last two years on our Web site.

MS. REGAN: When conducting your analysis, or contracting organizations to conduct it for you, what were your criteria? What questions were you asking them to answer?

MR. FERGUSON: We were asking questions like, do they circulate? Do they participate in the structure that allows them to meet on the East Coast of Canada? The Canadian national association rotates so every three years we would expect to have a shot at the Canadian national business; there's approximately 200 of those organizations that we have data on. We were looking at the international market, we actually mined 10,000 international organizations that got reported on through ICCA which is a national body that we belong to. We were able to distill that list down to approximately 3,000 international conferences that fit within our size range.

We were further able to qualify those to identify that yes, they can meet in Canada and yes they can meet in Canada over the next 10-year period. The reason for that internationally is because they are on a 10-year rotational pattern and if they've been to Canada, say, five years ago, then we weren't going to secure business from them over the next five years. We've identified on the international market 1,162 conferences actually that fit our size of approximately 300-400 to 1,500 and also able to be booked in Canada over the next four-year period.

We went into the national market through third-party planners and we asked those planners what they liked about Halifax, what they did not like about Halifax. To those questions, we always got the same answers: we had the absolute most wonderful downtown precinct as an event destination, we had a great warm, welcoming population; they love to be here. In fact, one of them called Halifax a real city with real people. But it kept coming down to the quality of the facility that we were hosting them in.

The reason that was a problem is because they were forcing a large conference into a small space which means they had to cut something, so they had to cut some part of their social program or they had to cut their exhibitors which really cut their revenue, which hurt the bottom line. I think we asked a lot of the questions, we asked if they were able to meet

in Canada, if they were able to meet on the East Coast, what their rotational pattern was and we used all of that information to back up our projections.

MS. REGAN: And did you also have information on how much money each convention would bring to Halifax?

MR. FERGUSON: Absolutely, we've done our research over time and we recognize that the three target markets that we were zeroing in on - the international congress market, the national corporate market and the national association market - all spend a significant amount more than the casual business or tourism traveller. Many times it was over \$1,000 per visit, so the payback to Nova Scotians was far greater in those three categories and that's really why we focus on those groups.

If you look at our entire event mix - last year we hosted over 800 events, so we host a lot of events in the facility. It's not always the number of events, it's really the number that come from those three categories. Eighty per cent of the economic spinoff that we will attract to Nova Scotia - both in each of the last two years it was in excess of \$100 million - will come from those three markets. It's out-of-town dollars and those are dollars that we use to pay for our roads, hospitals and schools, that's why we target those groups.

MS. REGAN: The AG recommended that "The Executive Council Office should obtain an independent second opinion on the . . . market projections for the new convention centre." To your knowledge, has the Executive Council made any movement on this recommendation?

MR. FERGUSON: Not to my knowledge, no. I've focused really on our job and our role which is to deliver on those numbers and to do the research that we've done and to make sure that we do so in an open and transparent matter. I'll give you an example on how we've continued that: with this year's business plan, we've put hard targets on securing over 20 per cent of the three category conference that I mentioned a few moments ago, in the new facility for the first three years to secure them this year. We've continued to be very aggressive in attacking and delivering on those projections.

MS. REGAN: What communications have you had with the Executive Council, with respect to this particular recommendation?

MR. FERGUSON: My communication has been through our board, as we report to our board on a regular basis on our successes and advances. The wins that I mentioned earlier - the targets, the categories - I've been reporting through our board our progress over the past two years.

MS. REGAN: So you haven't had any requests from the Executive Council to provide them with any documents or anything like that so that they could get a second opinion?

MR. FERGUSON: We provided, actually to the general public and everyone, each and every one of the reports that we've produced. We've not produced anything that wasn't immediately made available to the public. I mentioned 15 reports that we've completed and are available on our site and have been available for the past two years for anyone who wants to engage or discuss any aspect of that research.

MS. REGAN: But the Executive Council has not approached you for anything else, is that right?

MR. FERGUSON: No.

MS. REGAN: Do you accept that the Executive Council should get another second opinion on this?

MR. FERGUSON: What I accept is my confidence in our job. I've been in this business for 28 years; I started in 1985 in the U.S. market, the international market. I've heard for many, many years we know our customers, we know this business and most importantly, we know the potential of this market to be not only a national, but a world leader in the events business. I also know that these conferences represent a platform to connect universities, research and private sector and commercializing technology; it's something that we can be a world leader at. I'm very confident in our numbers and every step that we've taken as an organization over the past two years has been focused on delivering on those numbers.

MS. REGAN: So do you accept or not accept that you should have a second opinion done?

MR. FERGUSON: It's not my role to accept or not, my role is to deliver on my mandate at Trade Centre Limited - to maximize the events that we attract and deliver a significant amount of economic impact and that's really what we do on a daily basis.

MS. REGAN: Okay, because, you know, there have been occasions - I'm thinking back to the Maintenance Enforcement Program, for example, and the AG had one recommendation that they disagreed with and they came back to us and were quite clear about this is why we disagree with it because it would increase the time that generally mothers and children wait to get their payments, and that's why they weren't going to implement this one thing.

As a legislator, I would prefer that if somebody disagrees with a recommendation, that they clearly state, we disagree with it and we're not going to do it and this is why. I realize that may not be your role here, but I just want to make you aware that I think that there are times when the Auditor General may have what is a perfectly logical recommendation and yet it is going to impact on the core function of the group, in which case I think it's perfectly normal for someone to state whether it's impossible to do or it's

going to actually hurt their client base. I just want to make it clear that it's okay to say that you disagree with something, but we want to know why if something isn't going to happen.

MR. FERGUSON: It's not that I agree or disagree with it. I just look at our business - this convention centre is going to open in 2016. My job is to make sure that I deliver on the numbers and that the building is successful. The three markets that I referenced all have very long timelines. The international market is three to seven years so decisions are being made today beyond the opening of the centre, so there is business that has made decisions last year that we could have possibly secured the year before. The national market is three to five years so we're booking now in that window. The corporate market provides us with a little bit more room.

My goal is to make sure when this centre opens, it's a home run. There is a lot of work and it involves a lot of meetings, conversations, presentations and partnerships, and I really have decided that I need to spend all of my time and effort ensuring that happens.

MS. REGAN: The Auditor General stated, "The documentation supporting the rationale for the allocation of costs between Trade Centre Limited and the Halifax Metro Centre is insufficient and we found errors in the allocations." Could you describe the errors the Auditor General found with regard to the allocation of costs between TCL and Halifax Metro Centre?

MR. FERGUSON: I will in a moment defer to Carrie Cussons, my CFO, but I'll start just by saying we acted on the recommendations from the Auditor General as soon as they were made available to us. In fact, in advance, when the report was produced we had already acted on a number of those recommendations; as I mentioned, we have acted on 13 of the 19 that are complete. It's part of our DNA in the event business - I think when we learn from an event or activity we act on it very quickly. We need to do it on a daily basis so I think we've shown good, responsible action in acting on those recommendations, but I'm happy to defer for some additional information and background.

MR. CHAIRMAN: Ms. Cussons.

MS. CARRIE CUSSONS: The error, I believe, that was identified by the Auditor General related to shared services that we provide to both Trade Centre Ltd. and Metro Centre primarily around administration and finance, those sorts of functions. For the committee's recollection, all employees who work in both the Metro Centre as well as the Trade Centre are employees of Trade Centre, so they're provincial employees. Hence, there needs to be an allocation of some of those shared services directly.

During the annual budget process, we do a review with the senior managers to discuss what the appropriate time is that will be spent by those shared services. What the error is that was found by the Auditor General is that in some cases the allocation that was

put in the budget originally was not what was being charged through the payroll system. That resulted in about a \$45,000 variance - I believe it was a \$45,000 variance.

What we've done since then is actually incorporate both the budgeting process, but also a sign-off by myself and our controller and actually tracing it right through to the payroll to ensure that what is in the budget - i.e. reflective of what has been approved by both the board and senior management - is also consistent with what is in the payroll system. That was done effective April 2012.

MS. REGAN: Mr. Ferguson, you mentioned that 13 of the recommendations have been completed. Have those been signed off on by the Auditor General? What we heard, I think it was two weeks ago, that sometimes departments or organizations say, yes, we've completed that, and then when we check back with the Auditor General, he hasn't signed off on them and he's not comfortable with saying that, in fact, all of them have been signed.

MR. FERGUSON: Yes, I mean we've committed to all 19 recommendations by the Fall of 2014. With respect to the recommendations that have been acted on, there was a meeting actually set by several members of our board, including our chairman, with the AG some months ago and the commitment was to come back within a year. I know they are going to seek that meeting this summer/Fall, I don't know the exact date, but the intent was to do a review with the AG on the recommendations on each of the moves that we've made, to ensure that we have sign-off and agreement that, in fact, they are completed.

MS. REGAN: And that meeting hasn't happened yet?

MR. FERGUSON: That's correct, it was approximately intended to be a year from when the initial meeting was held.

MS. REGAN: The AG stated that, "Trade Centre Limited does not have adequate processes for the approval of travel and business expenses. The CEO's expenses were not reviewed and approved, and a number of paid claims were not supported by appropriate documentation. Trade Centre Limited's business travel and expense policy is not consistent with the government travel policy."

I'm just wondering why TCL was operating in a different reporting capacity than the rest of government? Is it because of the HRM link there?

MR. FERGUSON: I can actually defer that to my CFO, but I'll just open by saying that we had been following the practice that had been in place for some years. When I took over the CEO role, which would have been within the year of the AG review process, my focus as a new CEO actually would have been on attracting and securing and meeting our mandate and targets on major events, so that was my initial focus.

I know we had built some improvements into our business plan for that year to take place during the coming year but that was my focus at the time. When the recommendations were brought forward, we did act on them as quickly as we possibly could. I could ask my CFO to give a little more clarification to that.

MS. CUSSONS: First of all, in response - no, it's not related to the fact that we have a relationship with HRM. As Scott has alluded to, general practice for a Crown Corporation trade centre was what was being followed. In November 2011 shortly after the Auditor General arrived, it was brought to our attention that the CEO's expenses were not being approved by the board chairman and that that would be best practice. We immediately implemented that in November 2011 and we've been consistent and compliant with that process.

Prior to that, the CEO expense claims would have gone through a normal process review that any employee of Trade Centre Limited would have gone through. Again, now we've implemented the best practice with respect to the CEO's claims being reviewed by the board chair or his designate.

With respect to the general travel policies, similarly, as we became aware of significant deviations from the actual government policy, primarily around three key areas, which would have been the requirement for the approval or documentation of travel in what we call a travel approval form, we had always received approval but it would have been done through e-mail or through other processes.

The other deviation would have been around the details that are attached to an expense claim. A receipt was always provided, whether it was the detailed receipt that had the itemized amounts, in some cases those were not provided. In the third area, it was expanding the disclosure around the actual expense claim around who was met with and for what specific reason.

All of those items have been incorporated in our new, board-approved travel policy which went into effect November 2012 and we're in full compliance with that policy. We have circulated that policy to both our department as well as Treasury Board. They have taken a look at it and it appears to be in compliance with government's practices and we will continue to remain in compliance with government practices moving forward.

MS. REGAN: So earlier you mentioned that 13 of the 19 items have been addressed. I'm just wondering what plans you have for addressing the outstanding issues.

MR. FERGUSON: We're well on the way. The reason those six are slightly delayed is because they involve processes, one of them in and around the internal process mechanism of Trade Centre Limited and we've started the process to review and then report and act. The other has to do with formalizing the agreement with HRM on the operation of Halifax Metro Centre and the other two are sales processes - we've just hired a

new VP of sales and we're reviewing those processes to make sure that they are consistent with industry before we establish policy around them. So we are well underway on all six and we expect to have all 19 complete by the Fall of 2014.

MS. REGAN: Now for one of the outstanding recommendations, Trade Centre Limited indicated you'd undertake a review of industry practice before committing to further actions. Has that begun?

MR. FERGUSON: It has. I think you're referring to the recommendation on costing individual events. We do that on some major events - as an example, at a major conference or if there is a rock show or a hockey game, it is easy to allocate the cost against the individual events and know exactly what you make on the event. When you talk about 800 events a year - you might have five or six events happening at the same time, the same kitchen supplying the same food, the same cleaners, the same electricity.

The question is, is it best industry practice to try to allocate specific costs on a per event basis or is the process we've been using on using our key ratios or food costs as a certain percentage, or electricity cost as a percentage or et cetera - is that adequate? What we wanted to do was make sure that we did an industry review to understand how other convention centres handled those events and adopt the best practice for sure.

MS. REGAN: So your review has begun but I'm just wondering where you are along that path.

MR. FERGUSON: Again, we'd expect to have that item completed this Fall, but certainly all items completed by the Fall of 2014.

MR. CHAIRMAN: Order, please. Unfortunately Ms. Regan's time has expired. Mr. MacMaster.

MR. ALLAN MACMASTER: I've been to many events at the Metro Centre over the years. I've seen some excellent events there - the Women's World Hockey Championships, I think the Memorial Cup must be about 10 years ago and of course Halifax just won recently, and a number of music events and whatnot. I'm very familiar with the Metro Centre.

Probably one of the most important decisions government has made financially, at least for investment purposes, has been the new convention centre. Just looking back in time, has your office ever looked back to see what the original projections were for the current Metro Centre and convention centre and did a review just to see how they panned out? Was the current Metro Centre as successful as it had been hoped for when they were considering constructing it?

MR. FERGUSON: We weren't able to locate the original projections; that would have been back in the late 1970s or early 1980s. We feel the facility has been successful, we've met some very significant thresholds in recent years and we've really maximized the useful life of the facility. I know it started to occur to us several years ago when we started to get so many turndowns on business - I think the facility at the time was a great building, it served the market very well and has been very successful - it has outgrown its life and it's very apparent from the work that we've done plus the many interactions with our customers and our research that the facility has fallen way behind the industry.

When the facility was built in 1985 it was a wonderful building backed on to Metro Centre so it used the arena, for example, as the trade show floor and as the major hall if you needed to do major dinners. Well that doesn't work today at all. Customers want to pay a lot for their services but they want a very, very high standard. The other thing is that we've got a number of rooms in the facility that have low ceilings and many posts so if you have the height, you could probably touch the ceiling in a couple of those rooms which is not acceptable, of course, in today's standard and it's difficult viewing screens and other things around posts, of course.

The facility itself is behind the times and many facilities across the country and around the world have invested over the past 10 years. So now our feeling is that we've gotten as much as we can out of the current facility and it was really a decision to either not be in the business or if we're going to be in the business we need to provide adequate facilities for the future.

MR. MACMASTER: One thing I think that has always been a strength about the market here in Nova Scotia is people appreciate events that come here that might not be such a big deal in a larger city. I always thought that the Metro Centre was a good size when you look at it from a value perspective because it's not one of these larger facilities. I guess I'm thinking more for events as opposed to conferences but as far as events go it's a nice size, you probably get a lot more bang for your buck with the facility of the size that it is.

I was going to try to probe a bit more but if there are no records available, it's difficult to probe. I guess one of my concerns when I was hearing about the new convention centre is oftentimes the bigger the project the less scrutiny from government - it becomes more about vision or about a legacy. Of course we saw what happened with the Commonwealth Games, we were going to try to host that and realized that it cost more than we could afford.

I'm going to ask you about one of the recommendations the Auditor General had was to obtain an independent second opinion on the market projections for the new convention centre. I know we're in construction now, we're hearing blasts every day. What would you say about obtaining another opinion on it? Perhaps it's too late at this point but

I know your feeling is that we need the facility, that we need to grow from where you are now. Can you offer some comments on that?

MR. FERGUSON: Just per earlier comments, I know this by itself may not mean a whole lot but I have been in this business since 1985. I've had a great deal of customer interaction, I've sold into all three markets and what has become apparent to me is we have a wonderful opportunity here because I believe that Halifax can be this country's leading event destination - not only in the events that we attract, but how we lever them from a business perspective.

A world conference is a platform that allows you to connect commercializing opportunities in private sector and students and if there's one topic in the market today that's pretty big, it's all about start-ups and venture capital and connecting universities and getting more value and an event provides that platform.

We're also blessed with the fact that the city has a fabulous downtown precinct and, as you mentioned, we have a population that absolutely loves to engage and connect and we have a province that's easily gotten to. On top of that, I feel we've done a significant amount of work, primary and secondary research, we've tabulated and calculated all of our lost business. Even being able to secure five pieces of business at this point when the convention centre isn't even coming out of the ground as of yet, I think that is amazing. I know the work we've done in dealing with customers who intend to come to Halifax.

I'm very excited with the numbers, I'm determined and confident that we're going to be able to deliver on them and I guess that's all I can say.

MR. MACMASTER: It's good to hear your confidence, it's important. On Page 88 of the Auditor General's Report, it says that the goal of Trade Centre Limited is to become breakeven before a depreciation. Does that mean that when you're looking at projections, you're not considering the depreciation costs of the facility in terms of cost to your breakeven?

MR. FERGUSON: We're focusing on the operating with that number. Again, we have a dual goal which is of course to maximize the economic impact which comes from the three markets that I have talked about but we also recognize that we're spending taxpayer dollars and we're in touch with our taxpayers every day by way of customers and so it's important that we have their confidence and their value.

From a go-forward perspective, one of the formulas of successful projects here in Halifax is to ensure that the public shows some ownership and are confident and supportive of the convention centre. Most of the business that we'll get through the three channels I've mentioned, we get because there's a local ambassador or there's a local connect at the universities or in the workforce or in government to attract the conference here. It's a balance. We have to make sure they value what we're doing.

I know since I've taken over we've developed a number of efficiencies. We've streamlined the organization quite a bit, we've taken a lot of cost out of the business. We recently transferred the Events Nova Scotia model, that we've pioneered and developed to great success, to the Tourism Agency. We've also transferred the World Trade Centre Atlantic Canada activity in and around trade and trade training and other programs to NSBI. The reason for that is that we wanted to be a very lean organization, we wanted to focus on the priority sectors and that was the new convention centre with the two additional responsibilities for Exhibition Park and Halifax Metro Centre.

Again, we have a number of goals but our goal on bottom line as well as economic impact is paramount.

MR. MACMASTER: Okay, it's a focus on operations, so there's no intent to pay off the cost of the building. I guess it's seen more as an economic development tool than an asset that taxpayers are paying for and then hopefully - like a loan would be given to a company, through their operations they'd pay it off over time. This is seen more as an economic development tool as opposed to an asset that would be paid for over time.

MR. FERGUSON: Generally, the convention centres are built all around the world by governments - either municipal, federal or a provincial version of governments. The reason they do that is for the economic impact because the vast majority of the dollars that get spent don't get spent at the facility, they get spent with the bars and restaurants and cabs and shopping, et cetera. Our goal is to maximize that economic development.

This development, the convention centre alone, as measured through Gardner Pinfold, would generate over \$170 million of just provincial and federal tax over the course of the first 10 years of operation and a significant number of jobs during the construction as well. It doesn't take into account the very significant municipal tax that will come from the development and it doesn't take into account the provincial and federal tax from the overall development. We're just talking about the convention centre alone, so when you look at the overall development, it's a private development, it's a million square feet, it's \$0.5 billion, and it's all privately financed; the new hotel, the office tower, the condominiums, and the retail will all contribute a significant number which is not included in that number. So I think all three levels of government get their return in very short order strictly from taxation, let alone the business development opportunity that's an even more exciting one, I think.

MR. MACMASTER: And you see that as incremental taxation because it's maybe new visitors coming to the province to attend conferences or events, so it's tax revenue that you don't see that we would have anyway.

MR. FERGUSON: Yes, we actually measured incremental based on dollars, or non-Nova Scotian dollars, if we can call them that, but we've also measured based on what the current facility is doing versus what the new one will, so we've broken it out

incrementally that way as well. Yes, our focus is on getting non-Nova Scotians to pay for Nova Scotian services, frankly.

MR. MACMASTER: On Page 89 of the report, if we look at the projections for the new convention centre, it says it will see eight and a half times the number of events over a 10-year period. Can you explain those numbers? Does that mean that we're actually going to see fewer events over the 10-year period than we would over the past 10-year period, or are we seeing eight and a half times the events each year?

MR. FERGUSON: No, we're going to see more events. Our base year, when we put those projections together, was just shy of 600 events a year and we're projecting an average of 680 events. We've already exceeded that number, actually, last year.

It's not so much the number of events, it's really the type of events. Our growth is clearly in the national corporate, national association, and international congress markets. Of course the reason for that is that those three groupings provide the platform for business development and non-Nova Scotian dollars, so that's really what we're focusing on.

Also, at the present time the international market is three to seven years, the national association is three to five years, and the corporate market is a little bit more leeway in one to three, so the timeline is now to secure that business. But the most valuable growth is those sectors. In fact, when you look at our entire business mix, you'll see over 80 per cent - it's 83 per cent - of our economic impact comes from those three categories, even though numbers-wise they would be a smaller number.

MR. MACMASTER: So there's a little over a 10 per cent increase, from 600 to 680. Is that over time, or is that an immediate 10 per cent increase and then sort of a flat line at 680 events per year?

MR. FERGUSON: The average is 680. Now, our projections break it down by year but the average is 680 events. We've broken those projections down by number of events in each of the international, national, and corporate categories. We've broken it down by average attendance, which is between 400 and 500 for those conferences, on average, even though some of the conferences that we've booked are far greater than that on average attendance, and they are also broken down by expenditure and economic spinoff. They are averaged and they are shown in graphs and they are outlined in the report.

MR. MACMASTER: The Auditor General also said that the number of visitors is only increasing by three and a half times over the next 10 years. What would you say to that, or what would your numbers be in comparison to that figure of three and a half times over 10 years - is it the same as that?

MR. FERGUSON: I don't have that report in front of me, but again, our goal is really the high-value customers. I know using approximate numbers when we host a

conference today of 1,000 delegates there's over \$1 million spent, so even though they might represent 1,000 people, they generate \$1 million. So the key is a relatively small group but a very mighty group by their expenditures so, again, that's our target - non-Nova Scotian dollars.

MR. MACMASTER: So what would you be getting, what would you expect to get in the first year of operations as far as people in attendance at these conferences?

MR. FERGUSON: We've got them broken down in the report, I think we're sitting at about seven with that first three-year period. In fact, if you take all three categories for the first three years - and that's really what our sales cycle is at the moment - we've identified 142 events in those three categories, so international congress, national association, and national corporate amount to 142 events, in and around approximate attendance of 470 per event.

Our goal right now in our business plan for this year is to deliver on 20 per cent of those 142 events this year for the first three years of operation. That's our sales focus right now on those first three years. We've delivered five against that number already, and we're optimistic that we'll obviously achieve our goal that we stated in our business plan.

MR. MACMASTER: I'm kind of sticking along the same theme here. The projections also point to revenue increasing by 10.4 times over 10 years - is that going to be enough to make it sustainable?

MR. FERGUSON: The projections for the new convention centre would actually be very similar net to the current centre as far as return. Where the win is, it's a far significant revenue increase and far significant economic impact increase. So we would expect the operation of the convention centre - even though we've got a larger operation which technically costs more, we've got a new operation which can be more efficient and can cost less. So we expect the net bottom line, as far as the operation, to be very similar to what it is today. The real opportunity is in the growth and economic impact and out-of-province visitors.

MR. MACMASTER: So we'll be expecting sort of the same number of people, but higher-end clientele, is that what I'm hearing?

MR. FERGUSON: No, we expect more people, but the point being that the numbers - the true value - will come from those higher-paying customers, so a regional conference of 500 people is nowhere near the value of an international conference of 500 people. Our resources and attention right now are focused on the top three categories: not the regional market, but the two national - national corporate, national association, and international. They've all got different characteristics, but their spends are very high.

MR. MACMASTER: I know we saw the stock market crash in 2008. We see a lot of companies trying to cut back on expenses. Consumer expenditure has dropped. Is there a fear that things have changed in the last number of years, that there could very well be less travel because companies will have a harder time justifying sending their employees to national conferences? Is that a concern or how would you address that concern?

MR. FERGUSON: Well I go back to the three markets. This business is a huge business and I know the danger always is if you compare it to what happens in Halifax to what happens in Los Angeles - the gun show, the boat show and the fishing show - and the thousands of shows that require millions of square feet, and the competition of American cities to compete with each other in all forms. Our market in Halifax is different from that. In fact, it's even somewhat unique to other Canadian destinations.

Again, with the three markets I've referenced, the first one, the corporate market does respond up and down to the economy for sure - so that market can go up or down. We do very little of any of that business right now, in our research, we know we do little of that business because we don't have a standard that they're looking for. They want to pay top dollar, but they want top standard - we can't provide it. So we see only upside to that and, yes, that might swing with the economy, but we're doing next to nothing right now and it's all upside for us.

The Canadian national market, we've identified from 1,200 to 600 associations; 200 of which rotate to the East Coast on a regular basis. They are what I might call recession-resistant. The doctors, the engineers, they still meet. No matter how bad the economy gets, they don't stop meeting. Yes, it's possible they have a cash bar versus a host, but very few swings. Those people like the libraries, the teachers - they still continue to meet and that's pretty solid, that market.

The international market is just huge. It's over 10,000 conferences that we host. They show growth internationally in that market, but we get so little of it in Halifax and in Canada because we really only have been aggressively pursuing it over the last couple of years. Again, out of that 10,000 we've identified over 3,000 that match with our priority sectors so that means that work is happening in our schools and universities, and there are conferences that match those.

We've further distilled that down to 1,162 actually that meet with our priority sectors and our size of hosting, which is about 90 per cent of the world's events that meet our size, and they're available for a Canadian bid over the next four-year period. There's no evidence that we're seeing any economic or major swings. Those groups still have to meet, they still need to connect, and I think we're in the perfect zone of the market.

The other thing that's different from Halifax is during the 1970s, 1980s, and 1990s, I think other destinations got the jump on us from a convention perspective so you'll see some very large convention hotels in most markets; there's a number of them in many of

the Canadian cities that actually are far larger than our current convention centre. When the convention centres came along in Toronto and Vancouver, they are massive structures that really need to play at a very, very high level, and that's not the business we're in. We've got relatively, I'd call it, a little competition in Halifax for most of the conferences that we deal with, so I think we're somewhat unique in the role that we can play and how we can respond to market forces.

MR. MACMASTER: Mr. Chairman, how much time do I have left?

MR. CHAIRMAN: About 30 seconds.

MR. MACMASTER: Just quickly, when this facility is constructed, what other facilities would be on par with it if you look across North America?

MR. FERGUSON: It would be very similar in size to Ottawa as a centre, it will be slightly smaller, but the important part is I think it's going to match our city and our province perfectly. We're building a different kind of convention centre. Convention centres are generally built as large, unfriendly kinds of environments that unless you're working or whether or not you're a delegate with a badge, you really shouldn't be there because our whole . . .

MR. CHAIRMAN: Order, please. Unfortunately, Mr. MacMaster's time has expired. Mr. Whynott.

MR. MAT WHYNOTT: Thanks for coming today. Like many members here already today we've mentioned how many times and the opportunities they have had to go to the Metro Centre and the Trade Centre for various events, but I'm glad that you're here today.

It's interesting because some of the public - I think the majority of the public - don't recognize the kind of relationship or the direct relationship that exists between the Trade Centre and the Metro Centre. I think some people think that the Metro Centre is owned by HRM and then the Trade Centre is provincial, or vice versa. I know that you oversee a number of business interests over and above the convention centre, so I'm just wondering if you can give me an overview of your business units.

MR. FERGUSON: Absolutely. Today our focus is on the new convention centre and the current convention centre; the new convention centre is the major priority. We do operate Halifax Metro Centre on behalf of the municipality and we've done so for 33 of those 35 years. I played a role as general manager for the Metro Centre for approximately 10 years of that period and we've had a significant win with that facility. We generate a profit every year back to the municipality; in fact, even our corporate boxes will bring in over \$3 million a year in revenue, so there's good return and good efficiency and I would put that operation up against any facility in the country. I think we do a fabulous job and it

helps, of course, that Halifax is a great destination. Exhibition Park is run on behalf of the province, and as part of that we'll run Maritime Fall Fair and a number of other events that happen in that facility. We also run Ticket Atlantic, providing ticket services not only for Metro Centre events, but for other shows outside of the marketplace.

Recently, we also were the pioneers on two other business units that we've since downsized. One was Events Nova Scotia, and that was generated out of the need to take the supporting business and push benefit streams to all parts of the province. The important part from our end is we've got some really important learnings from being involved in those businesses even though they may not have been streamlined over the years. What we learned from Events Nova Scotia is that you can connect and draw benefits and push them outside of Halifax, so yes you needed Halifax as an anchor, as an attraction point, but there is no reason that you had to stop there.

So through Events Nova Scotia we created wins for Yarmouth, as an example with the World Junior A hockey championships, we helped them with the bid. We contacted Hockey Canada, put whatever pressure we could on to get a favorable decision, and they got it. They did some wonderful things there - they took the next bid themselves and ran totally with it without any input; they worked with local communities. We worked with Sydney in Centre 200 on the win of the World Under-17 championships that they're hosting. We worked on NHL hockey for the Strait area and actually, during the World Juniors and World Women's, we learned that events in Halifax could connect with the rest of the province so we were in 17 communities around Nova Scotia with pre-tournament camps, et cetera. So the whole idea of using Halifax as the cheese and attracting the conference but then continuing to push outside of the province, we've learned through that.

The other unit was the World Trade Centre Atlantic Canada, which was involved in taking contracts for trade missions and trade training. It's similar business in that we're connecting people, but we did understand how world trade centres work around the world because many of them are involved in events. Their focus is not the Events Nova Scotia model, it's more along the lines of how you attract business - so how you connect a trade show as a platform of local entrepreneurs to push and connect so we learn that side of the business.

Over the years we've been involved in maybe all aspects of events. You wouldn't find an organization in Canada - a few in the world - that got involved in those arenas, so we've done two things. One is the need to really focus on this new asset, the new convention centre, and that's what we're doing. So we've moved those units to other units and we've sharpened our focus, but we've taken the learnings with us. Our whole strategy, if you look at the new Trade Centre Limited strategy, the next five-year strategy, you'll see elements of each of those units on how we create and attract the right strategic events, how we partner, how we link. I think that's why we're in an exciting position right now to get the most out of this convention centre.

MR. WHYNOTT: Just going back to Events Nova Scotia, am I correct - and I'm just trying to remember here - I think it used to be - was it called Events Halifax or was that an HRM wing?

MR. FERGUSON: We initially had an organization we called Events Halifax. The initial intent was for it to be a three-way partnership, three levels of government; it actually ended up being a two-way partnership with ACOA and the province. For a number of years we ran Events Halifax. It confused a lot of people: who runs Events Halifax and who contributes to it? But we used that model initially to bid on the World Junior A hockey championships and many others. It was only the transition into Events Nova Scotia that layered over the whole idea of officially drawing business that could be spread throughout the entire province. The funding stayed the same but it was really called Events Nova Scotia.

Since then, just over this past year, we've transferred that unit and staff to ERDT, the Tourism side of things, which actually makes a lot of sense because one of our number-one partners is going to be the Tourism Agency. When you talk about pre and post activity - the idea of turning the 800-person conference into the 900 or the 1,000 well in advance, educating them on what's available tourism-wise, wines, industry, history, culture, getting those people pushed out to other parts of the province, measuring it so that we can talk about our increase over a period of time - it all needs to be done with the Tourism Agency. So the events platform actually was a useful way to even connect our two organizations. It made a whole lot of sense, it allowed us to focus on our business.

The other thing we did is we used to be a whole collection of silos. You would have Events Halifax, Events Nova Scotia, World Trade Centre Atlantic Canada, World Trade Centre WTCC, Ticket Atlantic, Metro Centre, and our employees kind of operated from those silos. We had great results but again, organizationally, since Carrie has joined us and since I've come on board, really we've focused on focusing the team as one team, one organization, one clear vision, and the convention centre is at the point of that vision right now.

MR. WHYNOTT: Okay, thank you. I want to focus a little bit on the new convention centre. I know back when the announcement of a new convention centre was made and the different levels of government coming forward with a commitment to the convention centre, I think one of the concerns the public may have had is whether or not this is an actual economic benefit for our province. Can you talk a little bit about the economic benefit for that, for the new convention centre, and the sort of tax revenue and what that actually means for our province?

MR. FERGUSON: I'll start just by saying that the learnings we've had over the last five years on this project, because I get asked a lot by other convention centres across the country that are looking to expand, what process did we follow and what did we learn? My response to them is the number-one piece has to be the public consultation piece because in

the end, and especially today, if you don't have the confidence of the taxpayer or the general public that what you're doing is providing value and good governance in an open and transparent way, it's just not going to work.

We started the project probably four years ago. I was out meeting and connecting with Nova Scotians across the province to talk about the project. I was able to talk a little bit about the success we had with Events Nova Scotia and the fact that the Trade Centre had developed a bit of a track record for delivering and not just being a Halifax-centric organization.

From there it moved into the public consultation process that Tim Merry ran; as part of the process, we were in over a dozen organizations or communities province-wide - I'm sorry, a dozen sessions. Again, it allowed us to connect with grassroots and other organizations and to deal with the questions about what does this mean for Cape Breton, what does this mean for the Strait? I think we've had some good discussion on that.

Our research actually shows a significant win on the taxation and job-creation side over the first 10 years of operation and actually during construction. I have continued with that over the last several months, meeting with over 50 organizations across the province, the economic development agencies, provincial chambers, local chambers, half the universities at this point and the other half coming over the next couple of months, the private sector, some interesting start-up entrepreneurs and it is all based on building a platform in and around events as an event generator.

I think the traditional old-school way of looking at it was it really started with the tax and job dollars and that's kind of where it stopped; I think that's enough of a reason. I think the real exciting piece from benefits is developing this platform to engage business and business development. We've spent a great deal of time connecting with Nova Scotians and the key is I have to continue to do that, it's not something that we can say, thanks a lot, we build a centre and we focus back on Halifax again. It falls apart if you don't have the trust to connect with provincial-wide taxpayers; you need to prove that time and time again. I think actually events are the way that you do that because when delegates actually show up in Yarmouth or in Sydney and Baddeck, in bed and breakfasts and shops, see these people and ask them where they're from, then I think not only are we going to be measuring it, but I think the proof is going to be as how we deliver.

MR. WHYNOTT: So as far as being able to maximize your conventions when obviously you're well on your way as far as signing up new organizations and new conventions - best case scenario, what sort of economic impact is this going to have for our province once the convention centre is up and running? Can you talk about that at this point?

MR. FERGUSON: I can tell it will be well in excess of the \$100 million that we bring in today, cleared by 50 per cent. But it's really going to come down to us ensuring

that we measure and report on an annual basis on what that measure it. At the moment we do measure it in our annual report and our accountability report, and we also measure out-of-town visitors and there are a number of other measures that we'll be using, but we will be reporting that on an annual basis.

MR. WHYNOTT: You mentioned the word "efficiencies" and I think you were talking more about money, but my question is really around efficiencies within the building - the current facility, and maybe the new facility as well. What have you done in the facility to create efficiencies with regard to creating a greener space? Is there any sort of LEED standard that is going to exist and can you explain that a little bit?

MR. FERGUSON: The centre will be LEED Gold and very much our focus - as the industry is these days - will be on the efficiency of processes as we host events. One of the really simple efficiencies is the turnover on space that we have. The way it works now is we have one room and we use it morning, noon and night and we're constantly changing over and that's propane, electricity and other costs to do that because we've got a group the night before, they're having a dinner and they're doing something different in the morning and then they're having another lunch and we're constantly resetting the room.

Efficiency from a convention centre perspective is that you manage your space so that when you're hosting a dinner function, as an example, you steer the auxiliary activity to other space and then when you're back to the similar dinner function the next morning or the next night, you're using that space. There is a whole efficiency in play that doesn't happen.

Another thing really is everything from how we store and manage our equipment because we're constantly moving it around throughout the building because we don't have a home for it. Again, that's a lot of staff hours, staff working through the night to kind of move everything out of the way. If you went over there during a set-up it might look like some mass confusion even though it's not, it's order. When we open the curtain, of course, it's show time, but those kinds of efficiencies, let alone there would be older equipment that we're using and the power it takes to run that equipment, so it's all about the versatility and use of as many efficiencies.

MR. WHYNOTT: I want to go to the Auditor General's Report now. Did the Auditor General's Office look at all of the business units or did they just focus specifically on different areas?

MR. FERGUSON: Well they focus on Trade Centre Limited operation.

MR. WHYNOTT: The scope of the AG's audit seems to be quite broad and cover a fairly large amount of time as well as about 18 months, is that correct?

MR. FERGUSON: Yes.

MR. WHYNOTT: What were the main benefits your office saw from the audit?

MR. FERGUSON: Well, the clear benefit is any chance you have to improve your operation to take advantage of it. I referenced earlier - in the events business, you learn something every time you do an event and so as an organization I like to say that we're wired to recognize the improvement and to act on the improvement right away. It's not a matter of during an event assigning blame or pointing fingers. It's really about noting the change, making the change and ensuring that tomorrow or tonight that you've improved what it is that you do. I think we're wired that way anyway.

I think we automatically were responsive to the recommendations, and I think that's why we moved so quickly on them. I think they've strengthened our organization not only in processes but equally important with confidence so the taxpayers understand that they're getting treated fairly, that we're following policy in an open and transparent manner. I think it has been a good process, we're a stronger organization as a result and I've learned a great deal. When I started at Trade Centre, my focus initially was on a revenue and event generation. It has since focused more to efficiency and accountability so it has been a benefit.

MR. WHYNOTT: In your statement today you said 13 of 19 recommendations for Trade Centre have already been completed. I'm glad that one of my colleagues here mentioned follow-up with the Auditor General's Office and you stated that you're planning a meeting with the Auditor General's Office to do another follow-up with him with regard to those recommendations. Do you have some sort of a progress as far as when you think the other recommendations will be completed?

MR. FERGUSON: Absolutely. We've committed to October 2014. We have been working very closely with our board and committees on the project on the AG report. The meeting that was initially set with our chairman and audit committee to review the report without management, to review the report with the AG, the commitment was made to respond and take this report very seriously. There was a commitment at that time to seek a meeting approximately a year down the road to review where we stand. I know the intent of the audit chairman was to do that which would be later on this summer or fall so I don't have an exact date but I know the intent is to follow up directly and to review our progress.

MR. WHYNOTT: In your public statement addressing the Auditor General's recommendations on the new convention centre, you stated you're confident in meeting market projections. What strategy will you implement to achieve that goal?

MR. FERGUSON: Our strategy started several years ago. The minute we developed those projections, we started to act on them. We have engaged a national public relations agency as our agency, we're doing a great deal of work on the marketing communications front. We've done a significant amount of continued research into our markets in the three markets that I've mentioned to target our priority sectors.

I've spent a great deal of time out meeting with universities, researchers, other institutions to drum up business, develop partnerships and attract business into our funnel. We're very happy with the results. Everything we've been doing from a presentation perspective, from a sales trip perspective, from local sales has all been around meeting those projections. If you walked into our sales department right now, you would see a big white board that clearly allocates the number of events in which category, the number of calls they made, what they've achieved this week. The fact that we've achieved five towards our target for this year - clearly in our organization, we know what we're going after and I think we're working in sync to get there.

MR. WHYNOTT: That's good to see because I think that obviously that's going to make the new convention centre successful in ensuring that we not only get new people coming to our province as part of our tourism strategy as well, but also at the end of the day it does create economic spinoffs for our province and more tax dollars for our province.

Also, I just want to make a comment before I finish up here just around the whole question of one of the recommendations around the Executive Council Office - the Auditor General recommending that there should be a second opinion. In fact, I want to comment that in the Auditor General's Report, there was a response from the Executive Council Office saying they were satisfied with the level of detail that was provided in the market projections and were confident that Trade Centre Limited will follow up with that process.

That's not a secret; it's in the Auditor General's Report and I just wanted to make that final comment before I wrap up. Thank you.

MR. CHAIRMAN: Ms. Regan.

MS. REGAN: I just want to be clear on what we were discussing earlier. The Trade Centre Limited does accept all 19 recommendations of the AG and they will all be acted on by the Fall of 2014?

MR. FERGUSON: Correct.

MS. REGAN: Okay. The Minister of Economic and Rural Development and Tourism is the minister who is responsible for Trade Centre Limited. Do you know, when was the last time the minister completed a full review of TCL?

MR. FERGUSON: I don't. I know that we met yesterday with the minister, and we met a couple of times actually since he has taken on the position, to review and discuss our business and to talk about the convention market and the potential we saw. He has shown a great deal of interest and we spent two hours together yesterday to review some of that.

MS. REGAN: So you don't know the last time there was a full review?

MR. FERGUSON: No. I know there was a review done just prior to me taking on the role at Trade Centre Limited three years ago, which was an internal audit on several of our - I think it was governance and other processes, so there had been a review. That was initiated just prior to me taking on the role but occurred during that first six months or so.

MS. REGAN: How often would you normally meet with the minister in the run of a year?

MR. FERGUSON: Well, we're shifting ministers so the current minister may have a different style. The past minister, I would meet with the minister roughly two to three times a year. Our chairman had set quarterly meetings with the minister to review Trade Centre Limited and to discuss our challenges and opportunities, so a significant contact.

MS. REGAN: Can you describe the relationship between TCL and the Minister of Economic and Rural Development and Tourism? Did you get a lot of direction from - not the current minister, obviously, but the previous minister?

MR. FERGUSON: Well, I felt that the past minister was very interested in our business, actually. I think he had a strong orientation towards events and connecting people, and he was always curious about our business. I know that when we started the convention centre project or started to talk about it he was keenly interested. I know when I met with him he was always interested and was actually quite aware of the events that we are hosting in the business, so with the addition of the Tourism portfolio, I think that even strengthened his interests. He seemed to be very interested and supportive and was asking good, challenging questions and seemed to understand our business.

MS. REGAN: In terms of oversight, did the minister have a lot of input into the oversight at TCL?

MR. FERGUSON: Well, I would report to our board of directors. The deputy minister is a sitting member of our board, so there would be communication from all of our board meetings through the deputy minister. So I would be reporting through our board and our board chairman.

MS. REGAN: So the minister didn't have conversations with you about oversight, then - that would have been with the deputy minister?

MR. FERGUSON: Well, we would have talked about all issues when I spoke with him. It could be an audit that was occurring or an event that we were chasing or a major project or the convention centre, so all topics were available for discussion.

MS. REGAN: Were there a lot of audits done during the past four years?

MR. FERGUSON: There have been a number, yes.

MS. REGAN: Could you ballpark the number?

MR. FERGUSON: Five.

MS. REGAN: I'm just wondering, the various issues that the AG highlighted, there were 19 recommendations that came out of them so I'm just wondering how difficult it would have been for the minister to be able to uncover some of these issues on his own, without the AG having done the kind of in-depth work that he had . . .

MR. FERGUSON: Sure. I don't know the normal processes between the AG and the various departments, but I know that we as an agency - and through our board to the minister - I think, responded very, very quickly, so when the report came forward with the recommendations, we obviously had communication at the moment and we started immediately to work on those recommendations, and we did so with the full knowledge of the department and support, of course. I think we all worked very efficiently to respond and I think that's the key, when an improvement is made available to you, whether or not you discover it yourself or it is pointed out by someone else, it really doesn't matter. The key is how quickly you move on it and improve the operation, and I think we've done that as aggressively as we could. I'm quite happy with what we've learned from the process and I think we're a better organization today, frankly.

MS. REGAN: Just to go back to the new convention centre, the big value that you see in that is not so much that people are going to spend a lot of money at the convention centre it's what they spend when they come to Halifax, correct?

MR. FERGUSON: Correct, but I think that the bigger win even goes beyond that. I think the bigger win is understanding that conventions provide an opportunity to essentially bring your prime target audience, your prime customer into a spectacular showroom which is downtown Halifax. We've spent over \$300 million a year of taxpayer dollars on universities, we're a centre of excellence in aerospace, and we've got over 45 per cent of our military assets here, biosciences - we've got a tremendous amount of international activity that's happening here in Halifax. Conferences, I think, provide the platform to celebrate that and connect that.

I'll give you an example. I mentioned the world BioMarine conference this year, so we have 800 delegates, all start-up entrepreneurs looking to commercialize some aspect of marine technology, and they're in the hotbed of marine technology here in Halifax. We need to make sure we make those linkages with the private sector and universities and start-ups.

The 2014 Ocean Energy Conference is happening next year and I mentioned the Halifax concussion scanner with Ryan D'Arcy, who was with NRC and now is with Simon Fraser, and Don Weaver from Dal. They have created the Halifax concussion scanner which has just won a recent award, a great commercializing opportunity, but that came out

of that kind of work that we're doing in brain scanning. Virtual medical informatics, biosciences; the new conference that we have coming in 2016, the Canadian Venture Capital Association, the top investors in the entire country, \$88 billion under management from this group - they're going to be here in June 2016.

Even on the other side, 2020, we've secured the Canadian Co-operative Housing conference and the interesting part about that is that it's seven years out, so it does give you a sense that this business is really booked far in advance. But it comes at a time when we just happen to be launching a new provincial strategy on affordable housing at the same time that we're having a very rigorous discussion on building and rebuilding downtown Halifax and creating an exciting city. So to have that conference here and that platform coming in seven years, you technically would be able to put a team together including developers, business, and government, I think, and you could actually build a building that was internationally recognized from a co-operative and value-sharing perspective and get it done and showcase it to the world. The true value in my view is how these conferences get used to leverage and connect and collaborate locally and use it as an international stage.

MS. REGAN: So you weren't kidding when you said that you're working on getting conventions here several years out.

MR. FERGUSON: No, that's why we're focusing 100 per cent of our attention on - we don't want to miss by a couple of months, obviously, a bidding window on a conference.

MS. REGAN: Thank you. I'm done.

MR. CHAIRMAN: Mr. MacMaster.

MR. MACMASTER: I know my colleague was asking some questions about internal controls and the department's interest in your operations. I know that they have to have confidence in what you're doing. I know that when we had a chance to meet with the Auditor General we did ask questions about things like expenses and that, sometimes people get receipts that aren't itemized. You know, you're on the road or something like that and you come back and you go to do your expense claims and you might not have the itemized receipt, and it may be nothing intentional. I guess the department has not taken a lot of interest in internal controls for the Trade Centre; they've given you the autonomy to manage that within the organization, would that be the case?

MR. FERGUSON: Well, I can tell you that we've had to do our due diligence, not just the result of the report but the fact that we're moving into a process where the province and city are engaging in discussions about the go-forward operations so there's a great deal of discussion, of course, on internal controls. We have taken the step to add a controller, an expert in the field. We are starting to kind of build a position for the future on what the ideal internal control framework looks like, so we're doing a great deal of work. We've

communicated that through to our stakeholder and, of course, they're very pleased with that, and our board. So I think we're being very aggressive and assertive on that.

We know moving into the new convention centre it's going to be important that we - right now while the initial focus is and has been on sales and event development, what comes very close to that is the whole operational readiness of the new convention centre. We have to take the best of what we've learned over the past 30 years, we have to match it with what the best practices are in the industry for efficiency. We need to identify gaps, we have to make sure we hire properly, and policies and procedures in place. So there will be a tremendous amount of work done on that over the next year and that's going to continue right up to 2016. It is very serious and we're very focused on it.

MR. MACMASTER: With respect to ticket sales would I be correct in saying that currently all ticket sales are handled by the Trade Centre Limited for events? I know in other jurisdictions there are companies like Ticketmaster that sell tickets. Is there a reason why we don't allow the private sale of tickets at the Metro Centre?

MR. FERGUSON: The initial plan when we created Ticket Atlantic was actually to try to partner and create a regional ticketing system through New Brunswick and other provinces. Really it came at a time when there are other ticketing systems that are available, not as robust as ours necessarily, but inexpensively, so it was efficient from the perspective of other facilities, I guess, to really run their own events. So you could transfer to Ticketmaster tomorrow; the key is that we have a Paciolan system that's well known throughout the United States and actually it's a dominant system on regional marketing and you see a lot of universities using that system, so it's a good, strong system. We feel at the moment it's more profitable to be running that Paciolan system versus transferring, but again, we do our periodic reviews and we always discuss what the future options may be for ticketing.

MR. MACMASTER: What about the resale of tickets? I'm familiar with StubHub which is not active here, as I understand it. Can you offer some comment on the resale of tickets, is that something that you also look at?

MR. FERGUSON: The market in Halifax is a little different even though we're very strong concert-wise; we don't have as many events, as an example, as Montreal might have or Toronto. I think when you get into those markets there's a very significant post and resale activity. In Halifax, it doesn't happen as much, I think, just because we're the market that we can manage the way that we're managing. Now in the future we'll have to see if we look at other sources for ticketing, or software that we might acquire, but at the moment the system we have and the process seems to work.

MR. MACMASTER: Are we missing out on events from promoters who, because they don't have access to concession revenue, might not be able to put on an event at the Metro Centre?

MR. FERGUSON: No, actually we're very fortunate in Halifax. We have a very strong market and we deal with a number of smaller promoters. We also deal with evenko, the same organization that owns the Montreal Canadiens and I think the Bell Centre, which is the fifth busiest facility in the entire world; evenko, I believe, is the third largest promoter in the world, they're a very significant world player.

We've worked with that organization now for about 30 years, from Donald K. Donald right through to CPI - they've changed names but it's essentially the same organization - so we've got a wonderful working relationship with them. The majority of our shows, Cirque du Soleil, many of the concerts I've mentioned, all go through that organization. We visit with them and they visit with us on a regular basis. We think that we've got a great relationship there and there's no indication that there's any business that we're losing because of any practices that we have.

MR. MACMASTER: Just moving on to a related subject, promoter rebates - are they verified prior to payment?

MR. FERGUSON: Absolutely.

MR. MACMASTER: I wonder why the Auditor General says that it appeared they weren't verified prior to payment.

MR. FERGUSON: Well, maybe I'll just ask Carrie to comment on that.

MS. CUSSONS: Promoter rebates are part of our event settlement process which we have a documented and border-proof policy on how that process works. At the time that the Auditor General came, I think the issue was around the documentation, i.e. a sign-off by someone showing that that actual rebate had been verified. In all cases any rebates to promoters are documented in a letter to the promoter, and then Finance in the event settlement process actually provides a cheque equal to what the rebate is based on the letter and/or contract.

MR. MACMASTER: How accurate are your promoter rebates and reconciliation of advance ticket sales?

MS. CUSSONS: I'll answer the promoter rebate question first. The promoter rebates, I believe, are very accurate - for two reasons. One, because in the event settlement process you actually have a meeting between your Finance person and your event organizer and they both sign off on that, so the verification of that is very strong.

On the advance sales or advance ticket sales reconciliation, we do monthly reconciliations on the advance sales balances as part of our monthly close processes. That's a process that was enhanced primarily when we actually separated the ticketing transactions to be fully compliant in Ticket Atlantic. So since October 2012, we've actually

been entirely compliant with ensuring those reconciliations are done on a monthly basis and that they're accurate and clearly understood.

MR. MACMASTER: Do you measure the accuracy of them? It sounds like you've improved the process and it is accurate but do you measure the accuracy of those reports?

MS. CUSSONS: The promoter rebate ones or the reconciliations?

MR. MACMASTER: The reconciliations.

MS. CUSSONS: In the reconciliation process, similar to a normal monthly process, you would have an accounting clerk who would actually do the reconciliation, which is now then reviewed by another party, the controller and myself, if there are any significant reconciling items that are unidentified.

MR. MACMASTER: Okay. Moving on to another area, I believe about 27 per cent of the items tested by the Auditor General, there were procurement transactions above \$10,000 that were not sent to tender - I believe it was eight of 30 procurement transactions. Why didn't those go through tender? They raise a flag when we see something like that; it begs the question, why wouldn't they just go to tender?

MS. CUSSONS: Most of those items would have been items that - first of all, we do most of our procurement through a tendering process or off of standing offers in compliance with government policy and Trade Centre's procurement policy. In some cases things like memberships for international associations or other items don't really have a competitive process where you can actually go out and go through a tendering process. What we would do in those instances would be what we call an alternative procurement process.

My understanding of the Auditor General's findings in many of those areas is that the alternate process was not documented consistent with government practice, which was using an alternative procurement form. Our policy has been revised as of November 2011 to (a) allow for alternate procurement in the policy, and (b) to ensure that it follows government's practice. We have been in compliance with that since we revised the policy.

MR. MACMASTER: Thank you, Mr. Chairman, that's all the questions I have.

MR. CHAIRMAN: Mr. Whynott.

MR. WHYNOTT: Thank you, Mr. Chairman. I do have a few more questions, but if it's okay with the chairman, I'd like to do a quick introduction if that's okay.

MR. CHAIRMAN: Definitely.

MR. WHYNOTT: Today in the west gallery we have - it's a pleasure for me, as the MLA for Middle and Upper Sackville, to introduce Hillside Park Elementary School, Grades 3 and 4 classes and their 13 chaperones. For those of you in the gallery, we are talking about the Trade Centre Limited. They look after - I'm sure many of you have been to the Metro Centre to see hockey games or concerts, and we're discussing the importance of the Trade Centre and the new convention centre coming to Halifax. I'd ask the members of the committee to recognize them. (Applause)

MR. CHAIRMAN: Indeed, welcome today, glad to see you here, on behalf of the whole committee. Mr. Whynott.

MR. WHYNOTT: I just really have only a couple of questions left in our proceedings here today. You mentioned some secured events for the new convention centre in your opening remarks and that seems like it's really good news, given that the centre, as we all know when we drive by Argyle Street, is still very much under construction. Can you tell us a little bit about these events and have they come to Halifax before, in the past?

MR. FERGUSON: These events are from the national market. We've got what we call a sales funnel that has a significant number of international events that are very close to signing. In fact, we expect to be adding to this list as soon as this weekend, but in any case, these are actually the contracts that we managed to sign. In one sense, they're the Canadian national association's. It does show the confidence that these planners have in the market. Halifax is a well-known market to these planners and one of them - well, they've all been here before. The Canadian Library Association now has really outgrown Halifax - they're at over 1,500 delegates - because they use a significant amount of space for exhibits as well as their dinners and plenary sessions, et cetera. Two of them are from the medical field and one of them is the Canadian Library Association, which interestingly connects with the new library in Halifax as well.

The other two are really interesting because they come at it from two perspectives. One, as I mentioned, the Canadian Venture Capital Association, that came through a planner; so that didn't come from a local planner that we work with, that came from a national planner that wanted to be in Halifax for 2016 - \$88 billion under management as a group. So given the discussion that's happening these days on start-ups and venture capital, I think it's an ideal platform to do some really exciting things over the next few years. The benefits that I talked about, I think, may be more business oriented for that group.

It's interesting that the other business that we signed shortly thereafter is the 2020 Co-operative Housing conference, and I think it's particularly applicable given all the building discussions on HRMbyDesign and populating our downtown and building an exciting city, while at the same time launching the provincial affordable housing strategy. Again, it's a far different platform, and that again came through a planner from outside the market.

The key is that all of these conferences actually are different to some degree. Some conferences might be very heavy with exhibits so you might see a 500 or 600 conference that needs an incredible amount of more space than the other conference, so that's the key to this. Often there's a local connect so with these nationals, several of them weren't brought to us locally; they were brought to us by a national planner. But it does allow us then to double back with the local connect and really engage a discussion on how we're going to leverage the event as a platform to celebrate the wonderful things that are happening in that sector, because their whole careers in some cases are built around whatever that sector might be.

The international market, as I mentioned - and we've got some conferences that we're looking to announce later on this year - is different yet again because we do actually end up working with a local planner. Ryan D'Arcy, as I mentioned at the time for a bio-magnetic engineering - all about mapping of the brain - would have come to us from the National Research Council. He wanted to bid on the conference for 2013 - he did so; he was successful. We sent a team with him to do the pitch and the presentation and encourage attendance enhancement, and that's coming this year.

Each of the conferences is a little different in size, but these five in particular are all from the national market and we're fortunate that we can start the process with them.

MR. WHYNOTT: I know you mentioned the current facility - the convention centre - and you mentioned, I believe this year and next year, you have some ocean science technology coming forward. Are you starting to align what you're doing for the new convention centre with some of the priorities of the province around ocean technology and life sciences and that sort of thing? Can you talk a little bit about that, please?

MR. FERGUSON: Absolutely. First of all, it just makes good business sense because you're more likely to have world-class experts in those fields. We've already heavily invested in those fields. I mentioned over \$300 million a year into our universities, so if we've already made the investment over many years, it stands to reason that (a) that's where the business is, but (b) from leveraging that investment for the taxpayer, the key is what can you get out of that conference, other than just putting the best conference on that they've seen?

For years we've sent delegates away, marvelling at this wonderful city and province and will always continue to do that, but it doesn't stop there. We want to develop our reputation as a marketplace that actually engages on multiple levels. So we're not just talking about pre and post travel and connecting to our wine industry; there are connections. These decision makers are making decisions on where to send their kids to school; they're making decisions on where to invest, where to retire. They're already passionate about a topic that is a strength for Halifax. I think all of the wins are really in the category of identifying your strengths and playing to those strengths, so we're spending a great deal of time now, yes.

The research that we've done internationally - we've broken down that 10,000 list to a shorter list all based on those priority sectors. Now the next step is to go and find out who the local representative is on the board; in many cases they're sitting on the executive board for these groups and I don't see any reason why, if they've been supported over the years in their career through other funding for research or other purposes, that it would be natural to bring those experts to Halifax. Then we need to have at it from a business development perspective.

You need to do that years in advance. So the minute a conference is launched, you have a three- or four-year window to do that.

MR. WHYNOTT: Just a final question. I don't quite remember - when the convention centre was announced and funding for it and once things started to - when the trucks started moving up there - what was the projected opening date? Has it stayed the same?

MR. FERGUSON: It was January 2016. The business we're booking is mid-2016 but the projection is still intended to be January so we're saying 2016. It has been five years and a couple of months since the initial agreement was made to proceed on the convention centre, which seems like a long time but if you look at some of the decisions across the country, they've dragged on for many years. So as convention centres go, I think it has been a fairly efficient decision process.

MR. WHYNOTT: Has it always been 2016?

MR. FERGUSON: No, actually, initially, early days, it was 2015.

MR. WHYNOTT: So it's roughly the same time frame.

MR. FERGUSON: That would have actually been several years ago so it hasn't just recently changed.

MR. WHYNOTT: Thank you.

MR. CHAIRMAN: Are there any further questions? Hearing none, Mr. Ferguson, would you like to make a few wrap-up comments?

MR. FERGUSON: I will and it will be short, just a couple of minutes. I certainly want to take an opportunity to thank the committee today to talk about our business. I think it's something we need to do more often so I appreciate that. I've given you an overview of Trade Centre Limited's business and our accomplishments, and now I'd like to touch a little bit on the future.

Our long-term vision, as I mentioned, is simple and clear - to make Halifax, Nova Scotia Canada's East Coast event destination on a global stage. Of course, a critical part of that is something we've talked a lot about today which is the new convention centre. We know that Halifax is a world-class city and we know that Nova Scotians have a natural ability to be great hosts. The missing piece for so many years has been the right facility to host more significant national and international business. There is an incredible amount of potential in Halifax and Nova Scotia to benefit from the meetings and conventions business.

For example, we know that through the Conference Board of Canada this industry is worth \$71 billion a year in Canada. We know that it makes more than 670,000 meetings occur in this country a year and it generates over 550,000 jobs. It's our intention to get a bigger slice of that pie.

We've spent a lot of time over the past number of months meeting with business owners, community leaders and influencers, and many others to recognize the potential of Halifax to be a truly great host city to attract more visitors, more dollars, and more jobs. With every delegate that visits our province come a number of spinoff benefits for local businesses, suppliers and taxpayers. People will stay longer, explore more of our province and forge long-lasting partnerships.

One of Nova Scotia's key strengths is the number of universities - educational and research institutions - that are doing absolutely amazing work. We are a centre of excellence for a number of sectors including defence, aerospace, life sciences and oceans just to name a few. So when we secure an international event for Halifax, we automatically become the world capital for that discipline, and we know that three to four years in advance. That means that we're attracting the best and the brightest thinkers, investors and innovators from around the entire world into our marketplace. It's up to us, of course, to make sure we lever that opportunity properly.

The new convention centre is simply a platform to connect people and organizations with opportunities. We all have the same common goal and I think we can agree that it's up to us to do a better job at collaborating, sharing, and activating to make sure we build a stage that showcases Nova Scotia and all that we can offer to the world.

I appreciate the opportunity to speak on our business today. Thank you.

MR. CHAIRMAN: Thank you very much for the information you provided today. We have some other committee business to conduct, you're welcome to stay if you'd like, but you probably won't find it super interesting.

We have a couple of things here we have to deal with. We have another letter from the Auditor General that was forwarded dated May 30<sup>th</sup> that we have to consider. We also

have unfinished business of the letter of May 17<sup>th</sup> from the Auditor General. Let's start with the letter of May 17<sup>th</sup> as that was the first one in place. Mr. Epstein.

MR. HOWARD EPSTEIN: Mr. Chairman, thank you very much. When we last left off our discussion of this letter, I think the two other caucuses had had a chance to consider it, or at least the members of the Public Accounts Committee from the two other caucuses certainly had, and we requested a bit of a delay until we ourselves had the chance to consider and discuss the letter of May 17<sup>th</sup> from the Auditor General. That has now taken place and I'd like to report back to the committee. I can't recall whether there was a formal motion in front of the committee, but in any event, the topic is up for discussion.

I should say that the result was that we are not actually prepared to accept this set of recommendations at this time. There are two main reasons for this, if I may explain. I think it's important to let the Auditor General and all of my colleagues on the committee, especially from the other two caucuses, know about this. The first point, of course, is not because the ideas put forward are not sensible, that has nothing to do with the considerations that came up. In fact, if I may make a personal remark, I think in general they are sensible but we considered them really in a slightly different way, in a different context.

The first of the two reasons for not being prepared to go ahead with the set of recommendations at this time, and this is a lesser reason, is that it essentially proposes adopting a set of rules by the committee for the committee, in the sense that, for example, it would always be a requirement that the committee hold certain kinds of follow-up sessions. We almost always do that and there's no reason, in general, why that probably wouldn't take place but the committee has tended to operate really with a limited set of rules for itself, I think beyond those that are actually set out in the Rules of the House. I think the only rule we've adopted for ourselves is that we've invented a Subcommittee on Agenda and Procedures, but beyond that, I don't think we have any formal rules. I think at the moment, the greater flexibility that we can maintain for the committee the better it is.

There's a second reason, and it is that the proposals in the letter tend to nudge the role of the committee in a slightly different direction, and to some extent also implies something different about the role of the Auditor General. Right now the framework legislation for the Auditor General is that his office functions with quite a considerable range of powers but it functions by way of public announcement of his findings through reports to the House. So essentially the force of the Auditor General's Office is found in the credibility of the reports that the Auditor General offers.

The letter essentially invites a further step in how it is that the Auditor General's Office is to function, in the sense that it invokes or attempts to invoke the force of the endorsement of a committee of the Legislature to try to add some weight to the recommendations. Whether that's necessary is a question that's open, but at the moment it's not how it is that the basic legislation of the province conceives of the Auditor

General's Office as functioning. As I said, the Auditor General's Office is conceived by the legislation as functioning through the credibility of the office and continuing to do the very good work that the Auditor General's Office does.

If there is to be a change in the nature of the committee work, particularly this committee, as to the extent to which it is going to be involved in trying to reinforce the recommendations of the Auditor General.

Our view was that this should take place in the context of a review of the rules for committees generally, and of course for this committee in particular, and I would say to my colleagues in the other two caucuses that I would like to remind them that various overtures have been made over the last couple of years by our House Leader to them about the possibility of rewriting some of the rules in procedure that govern the Legislature, including those for committees and that if they are interested in seeing some slightly different role for committees, then that would be the context in which this should be raised.

I think many of us will recall the strong presentation that we had from the Chair of the United Kingdom Parliament Public Accounts Committee in Halifax about a year or two ago and it's quite obvious that the role of a Public Accounts Committee there is slightly different than has been the tradition or the rules here. If there is to be a change in what it is that our Public Accounts Committee does then we would really like it to come forward in the context of an all-Party discussion amongst the leaders of the House about a range of possible rule changes.

Those are the reasons for our decision not to want to endorse these specific recommendations at this time; we think they should be raised in a different forum. Thank you very much, Mr. Chairman.

MR. CHAIRMAN: Ms. Regan.

MS. REGAN: My concern and the Liberal Party's concern is that we've seen how often things don't get changed here. We were in favour of meeting to have those changes made and that did not happen, and there are a lot of things that go on in this House that should be changed but if we are going to wait for a complete overhaul, quite frankly, it's not going to happen. There's a lack of goodwill among the three Parties so I would suggest to you it's not going to happen anytime soon, but this would also make what we do here more effective. What we heard from the Auditor General most recently is that there is a lack of follow-up from departments on the recommendations that come out of the Auditor General's Office. So what's going to happen? It's going to get shelved and it will never get dealt with.

We've seen no changes happen here in the last four years that I can recall and I just think, to me, it's a no-brainer to make our work here more effective. Instead what we're going to do is it's going to get pushed away, it's not going to get dealt with, there is not

going to be the kind of follow-up that should be happening with the Auditor General's recommendations and clearly is not.

MR. CHAIRMAN: Mr. MacMaster.

MR. MACMASTER: I think departments are not respecting the recommendations, which tells us that the current process is a weak process. The evidence: I believe 41 per cent of recommendations have not been carried through by departments, and these are recommendations the departments have even agreed to. I guess what I would counter-propose to the government members on the committee is would they accept the terms of the letter that the Auditor General has written to the committee until such time as there is an opportunity for the three Parties to get together on looking at rewriting roles for committees such as the Public Accounts Committee?

In accepting the terms of the letter now we start making progress towards addressing the matter of departments not following through on recommendations and it gives us - if we can improve the terms of this committee by rewriting its role and incorporating measures of accountability that hold departments to account, fine. I guess the opportunity exists to address the problem today and I think if we're all in this together to make our province a better place, we should do what we can today to start improving the uptake on the recommendations.

MR. CHAIRMAN: Is that in the form of a motion, Mr. MacMaster?

MR. MACMASTER: Yes, I would like to move that until the three political Parties get together to rewrite roles for committees of this Legislature, that we accept the terms of the letter sent to us by the Auditor General.

MR. EPSTEIN: Thank you. I'll just speak directly to the motion now that we formally have one in front of us. I won't repeat in detail all of the points I made a moment ago, but we will vote against this motion and we will vote against it specifically because we see a change in the procedure of this committee as being much more appropriately raised in the context of a general discussion amongst the Parties of change in rules for all committees for which it's appropriate and other rules of procedure for the House.

On the point that I heard a moment ago that at least one of the caucuses claimed it was in agreement with proposals that had been made before, it's not my function to be House Leader for our Party, but I have heard from the House Leader of our Party about how those talks went. As I recall it was a case, I believe, of both of the Opposition Parties not agreeing in the end to a package of items that had been canvassed before, but I really don't think there's any point in getting into this, we're not the correct people to really be discussing this. It is something for the House Leaders, and then ultimately with their caucuses, to consider but to consider in a wider context. It's for that reason only that we are not going to support the motion. Thank you.

MR. CHAIRMAN: Ms. Regan.

MS. REGAN: I would like to call for a recorded vote.

MR. CHAIRMAN: We'll have a recorded vote on this. I'll call the names and have the clerk record the vote.

[10:47 a.m.]

**YEAS**

Ms. Regan  
Mr. MacMaster

**NAYS**

Ms. Kent  
Mr. Whynott  
Mr. Prest  
Mr. MacKinnon  
Mr. Epstein

MR. CHAIRMAN: My vote is yes.

The count, please.

MRS. DARLENE HENRY (Legislative Committee Clerk): For, 3. Against, 5.

MR. CHAIRMAN: The motion is defeated.

We have just some correspondence that we have received from questions we've asked. It has been circulated to all the members. It's dated from our clerk and it's self-explanatory, so I would ask everyone to review that.

We have the correspondence from Mr. Lapointe but I believe at this point that has been covered by the vote we've just had, so that will just stay on the record.

The next meeting of the committee will be on September 11, 2013, from 9:00 a.m. to 10:00 a.m. - the subcommittee - for the purpose of setting an agenda, and that will be in camera.

With that, I'd like to wish everybody a very nice summer, an enjoyable summer, and I look forward to seeing you all again in September.

A motion to adjourn is in order.

MR. CLARRIE MACKINNON: So moved.

MR. CHAIRMAN: Thank you, Mr. MacKinnon. We stand adjourned.

[The committee adjourned at 10:48 a.m.]