



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Hansard Verbatim Report

No. 6 – June 22, 2016



Legislative Assembly of Saskatchewan

Twenty-Eighth Legislature

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Mr. Fred Bradshaw, Chair
Carrot River Valley

Ms. Carla Beck, Deputy Chair
Regina Lakeview

Mr. Greg Brkich
Arm River

Mr. Terry Dennis
Canora-Pelly

Mr. Warren Kaeding
Melville-Saltcoats

Mr. Kevin Phillips
Melfort

Ms. Colleen Young
Lloydminster

[The committee met at 19:02.]

The Chair: — Well good evening, everybody, and I would like to welcome the members of the committee. We have myself, Fred Bradshaw. I am the Chair. Substituting for Carla Beck, who is Deputy Chair, is Cathy Sproule. We also have with us tonight Greg Brkich, Terry Dennis, Warren Kaeding, Kevin Phillips, and substituting for Colleen Young, we have Glen Hart.

This evening the committee will be considering Bill No. 21, *The Growth and Financial Security Repeal Act 2016* and Bill No. 22, *The Income Tax Amendment Act, 2016*.

Bill No. 21 — *The Growth and Financial Security Repeal Act*

Clause 1

The Chair: — We will now begin our consideration of Bill No. 21, *The Growth and Financial Security Repeal Act 2016*, clause 1, short title. Mr. Minister, could you please introduce your officials and make any opening comments.

Hon. Mr. Doherty: — To the Chair, good evening to you and committee members. I'm delighted to be here this evening. I'm joined by Clare Isman, the deputy minister of finance; Terry Paton, the Provincial Comptroller; Chris Bayda, the assistant comptroller, seated behind me; Jane Borland, director of financial management, seated behind me; Arun Srinivas, executive director, taxation and intergovernmental affairs; Nathan Dvernichuk, analyst with taxation and intergovernmental affairs; and Bob McInnes, analyst with taxation and intergovernmental affairs; and Dawn Popescul, my chief of staff, seated back behind me, Mr. Chair.

I'd like to make a few opening comments if I may, and then we can move right into questions. So thank you to the Chair and committee members. I am pleased to be able to speak to *The Growth and Financial Security Repeal Act*, Bill No. 21.

In 2014-15, government changed the focus for budgeting, forecasting, and reporting from a General Revenue Fund or GRF basis to a summary basis. *The Growth and Financial Security Act* that is being repealed is focused on the GRF. It identifies several reporting, balancing, and transferring requirements on a GRF basis. These provisions are no longer relevant in the current summary-focused environment. The repeal of this Act is a further step in the ongoing transition to summary budgeting, forecasting, and reporting. The government is developing a revised fiscal management and accountability framework that will form the basis for a new summary-based fiscal management and accountability Act. The Ministry of Finance and officials will be consulting with key stakeholders, including the Provincial Auditor, in preparation for new legislation which will be introduced in the fall session.

The repeal will come into force on Royal Assent, but is retroactive and is deemed to have been enforced on and from April 1, 2016. Mr. Chair, thank you for allowing me to make these introductory comments. We are now prepared to answer any questions the committee members may have.

The Chair: — Are there any questions from the committee members? Ms. Sproule.

Ms. Sproule: — Thank you very much, Mr. Chair, and thank you to the Minister and the officials for being here tonight and answering questions. I just have few questions to start off with on this Bill. Apparently, well it's a repeal. It's repealing *The Growth and Financial Security Act* previously enacted.

First of all I just was wondering if you could share with the committee when the remaining, what date were the remaining funds of the Growth and Financial Security Fund withdrawn? I believe there was about \$115 million left as of sometime last year.

Hon. Mr. Doherty: — I'm advised, Mr. Chair, that there's a treasury board order dated March 10th, 2016. The treasury board authorizes and directs the transfer of \$131,269,103.54 from the Growth and Financial Security Fund to the General Revenue Fund.

Ms. Sproule: — Are those treasury board orders available to the public? Like where would they be located on your web page?

Hon. Mr. Doherty: — I'm advised, Mr. Chair, that they are not published on the Ministry of Finance website, and they are not orders in council. Therefore they are not released to the public.

Ms. Sproule: — So they're private. They're not releasable at all. You can't get them through the library, or they're not public documents is what you're telling me.

Hon. Mr. Doherty: — They're not public documents... [inaudible interjection] ... So again I'm advised, Mr. Chair, that I guess through FOI [freedom of information] ... [inaudible].

Ms. Sproule: — All right, thank you. I know we had corresponded with the ministry before in March, and we were waiting to get those results because we were trying to find out what the status of the account was. But I can see if ... We did do the FOI process, so we'll just continue with that. Although we know now that it has been removed, so thank you for sharing that. So March 10th, 2016.

The first question I have is, why is the Act making it retroactive to April 1st?

Hon. Mr. Doherty: — Simply because it applies to this fiscal year, and the fiscal year begins April 1st, 2016 for the '16-17 fiscal year.

Ms. Sproule: — Why not March 10th? Is it just because of the fiscal year? I mean it was empty on March 10th.

Hon. Mr. Doherty: — I want to distinguish between the Act and the fund. The fund is a component of the Act. The fund was depleted of its complete funds as of March — what did I say? — March 10th. The Act has other components to it, other than just the Growth and Financial Security Fund in it. Therefore it's being repealed effective April 1st, which is in this fiscal year.

Ms. Sproule: — All right. So there's no direct link between the draining of the fund and the retroactivity of the Act. I guess it couldn't be the other way around though. You couldn't make it retroactive to the 1st and still have money in it.

Hon. Mr. Doherty: — Unless you amended the Act, I suppose.

Ms. Sproule: — I suppose. So then that treasury board decision to withdraw the final amount on March 10th, 2016, why was it made then, and what can you share with the committee about how that decision came to be?

Hon. Mr. Doherty: — I'll just ask the Deputy Minister of Finance to answer that question. And then I want to go back to a question, Ms. Sproule, you asked beforehand about information available on the fund itself.

Ms. Isman: — Thank you, Mr. Chair. Clare Isman, the Deputy Minister of Finance. With regard to the fund, the reason that we withdrew the funds before the end of the fiscal year was so that they were withdrawn prior to the end of last fiscal year, so that the fund would be retired before we actually introduced legislation effective April 1st, as well as to meet the cash management needs of the General Revenue Fund for which the fund was used for.

Hon. Mr. Doherty: — If I could, Mr. Chair, just in response to a question you just asked about information available, I believe my chief of staff sent you a letter dated May 9th in response to some questions about *The Growth and Financial Security Act* and the Growth and Financial Security Fund as to the balance available in that fund. So we certainly weren't trying to be non-transparent; I think that this should have answered the questions that you had at that time as well.

Ms. Sproule: — I don't remember the content of that letter. I thought it was an extension for the FOI, but maybe I'm thinking of a different FOI.

Hon. Mr. Doherty: — It just indicates that, amongst other things in this letter, for the 2015 fiscal year, treasury board order no. 3 dated March 10th, 2016 authorized the transfer of \$131 million — the dollars I mentioned — from the GFSF, the Growth and Financial Security Fund to the GRF. Oh, and the treasury board's orders were attached to that letter that we sent to you.

Ms. Sproule: — Then that is what we were looking for, and I obviously haven't paid attention closely enough to that. So thank you for bringing that to my attention. I apologize. Was the reason for retroactivity tied to the fact that you would have been . . . Like on June 1st, once you introduced the budget, you would have been . . . and announced there would be two deficits in a row. If I understand the bill correctly, that would have meant you were actually not in violation.

I guess you would have been in violation of the Act? Is that another reason why you were making it retroactive?

Mr. Paton: — Yes. Terry Paton from Ministry of Finance. One of the reasons for the timing of this is that *The Growth and Financial Security Act*, as the minister indicated earlier, relates entirely to the General Revenue Fund, and we discontinued

reporting on the General Revenue Fund last year. So for 2014-15, we did not report on it, nor did we report on it or will we be reporting on it for the fiscal year 2015-16. So all of the provisions within that Act are not, are not reportable under any circumstance without the General Revenue Fund. So they're really inconsequential to the way we now report.

Ms. Sproule: — I guess my question was, one of the reasons for making it retroactive, would that have been because we haven't passed this Bill yet and the budget on June 1st . . . Like you could have made it just effective upon the day it's passed. So my question is, is one of the reasons for making it retroactive so that you wouldn't be in conflict with the law as of the point of introduction of the budget on June 1st?

Mr. Paton: — Just furthering the clarification on that though, the budget that was introduced recently was on a summary basis, so all of the reporting and accounting is on a summary basis. Again that General Revenue Fund provision that we are talking to you on *The Growth and Financial Security Act* is on the General Revenue Fund, which is not the budget basis nor the reporting basis that we're using.

Ms. Sproule: — But there are GRF statements in the budget document.

Mr. Paton: — No, there are not.

Ms. Sproule: — I didn't bring it with me tonight, so I'm sorry. In part 2, will you be doing GRF reporting in part 2 of Public Accounts like you did last year?

[19:15]

Mr. Paton: — Yes. Volume 2 of the Public Accounts relates to the actual spending within the General Revenue Fund, so it discloses the amount of salaries and grants and transfers that are made by the General Revenue Fund specifically. Similar type of reporting is done for all entities. I shouldn't say all, but virtually all entities. Crown corporations and treasury board Crowns also report the same degree of detail as it relates to their individual statements, but it's primarily, you know, payments on expenditures for specific funds.

Ms. Sproule: — Which is exactly what the GRF is, yes.

Mr. Paton: — Yes, the payments will be disclosed.

Ms. Sproule: — Okay. So I guess the way, if I understand the auditor's comments — and I will be referring to that in terms of her most recent report — that both were included in the former way that you presented the information to the public. But in volume 1, it started with the GRF reporting and the summaries were located further back. So are you telling me it's not just the placement or the location of the reporting but the GRF — I know you've done consolidated adjustments and all those things as well — but that the GRF itself has fundamentally changed, the reporting of the GRF has fundamentally changed to a point where the Act is no longer applicable to that funding? That's what you're saying, right?

Mr. Paton: — Yes, that's entirely correct. Both the financial statements that we prepare and the budget that we prepare is

entirely on a summary statement basis, and you will not find the details of the General Revenue Fund budget itself or any of the other entities. It consolidates the budget activity of the number of Crowns, approximately 150 agencies, of which the General Revenue Fund is a major one, but there is no specific reporting on any of those.

Ms. Sproule: — Therefore when you switched to using the summary financial reporting on April 1st of '14 — that's when the official switch began — would the Government of Saskatchewan have then been in violation of the GFS Act [*The Growth and Financial Security Act*] at that time because you weren't using the reporting that was required in that bill? Like, why not make it retroactive to April 2014?

Hon. Mr. Doherty: — I think that's a fair point, Ms. Sproule. One could have gone back to April 1st, 2014, when the reporting was changed. What we've tried to do from a transparency perspective is . . . I know last year Minister Krawetz, when asked in his news conference, when delivering the budget was asked a number of questions about the GRF because reporters and a lot of the media were still used to the GRF and asked a lot of questions about that in particular. And so we continued to try to provide those kinds of answers. At the same time, we knew the auditor had suggested we go to summary financial statements. And so this year more than anything else, we completely transitioned to summary financial statements, which makes the GFSF Act irrelevant.

Ms. Sproule: — Or in its current form, it could be amended to reflect the summary reporting that you're using, correct? It doesn't have to be repealed.

Mr. Paton: — I think you're correct. There would be an option to amend it. But I would have to say that the amendments would be fairly major because most of the activity that is prescribed within that Act relates to transfers and transactions within the General Revenue Fund. It doesn't contemplate the broader context of the summary world, so we would probably be amending every section of that Act. I think it's more appropriate at this time to, I guess, depart from an Act that is centred on the General Revenue Fund and come up with an appropriate Act that speaks to the summary role that we're now in.

Hon. Mr. Doherty: — I also, if I may here, it is very difficult. You know, the major component of this Act is the balanced budget provision. Under summary financial statements when you include pension liabilities, pension liabilities can go up or down with one point in interest rates on any given day by \$1 billion or in that neighbourhood, I'm advised.

Similarly with things like to market-to-market valuations and the price of natural gas, with a hedging program at SaskEnergy, we could put the budget to bed, vote it off, and market-to-market valuations could put us into a deficit position because of valuations on any given day with the price of natural gas on a hedging program. It would have that dramatic effect on SaskEnergy's bottom line, which transfers over on a consolidated basis to the summary financial statements and put you into a deficit position.

So hence the reason why we want to do some further

consulting, consultations with some stakeholders, with the Provincial Auditor as to what is the most appropriate, transparent, understandable fashion to present financial statements to the people of Saskatchewan. And that's what we're going to be looking to do over the course of the summer and try to come back with a new Act this fall that would demonstrate those provisions.

Ms. Sproule: — I guess the question then is the timing between the repeal and the new Act. Why was the repeal necessary at this point, given that we've been in this summary world for two years when essentially we're left in a bit of a gap right now because we have nothing in terms of the provisions that the Act provided, and there's a gap. And I know the recommendation. I will get into the recommendations, the auditor. I'm just waiting for one piece, but certainly her recommendations were not to repeal, have this gap of time, and then have the consideration of the replacement Act.

Mr. Paton: — Currently the reporting requirements that we have in our summary financial statements I think provide good accountability for the finances of the province. There's an argument to be made, as you said earlier, should have we repealed this earlier? We could have done it April 1st, 2014. We've done it, you know, more currently. For the last two years, that Act really had no applicabilities, so definitely we could have repealed it earlier, but I think we're moving as quickly as we can to get a new Act in place that will provide maybe more forward disclosure and more accountability to the people of Saskatchewan.

Hon. Mr. Doherty: — And I'm not sure — and I'm not going to put words in the Provincial Auditor's mouth; one can ask her those questions directly — but I'm not sure that I think what your comments, Ms. Sproule, would accurately reflect the Provincial Auditor's view on that particular Act in conversations we've had with her.

Ms. Sproule: — Yes. I'm just looking at the recommendations that she made in 2013, and I know that in her recent summary, which I am going to get a copy of here right away, was certainly that the Act has some relevance. It has importance. It's used in many other provinces in different ways. There's different ways to reflect this. I'm still a bit puzzled, though, why it took two years to repeal. You could have done this two years ago and just sort of why . . . Okay, here's the question then: why take two years to repeal it and not have something in place to move forward with as you've indicated you are going to do in the fall? Why the gap in time?

Ms. Isman: — Thank you very much, Mr. Chair. I think part of it was when we initially made the switch to summary budgeting, forecasting, and reporting, one of the things we talked about was the complexities of moving to this in terms of the preparation of the summary budget, the changes of all of our internal systems and processes, the consolidation of 150 organizations gathering greater level of detail in order to be able to then present the budget at that level of detail, to be able to report on it, to be able to respond to questions on it. First and foremost in our mind was the strength, the capacity, and the accuracy of the budget. That has taken us a couple of years in terms of our capacity inside the Ministry of Finance to develop that expertise and the systems and processes to do that

consolidation.

It was clearly already being done on the financial statements prior to this transition, so they had their systems and processes in place. And I think even the first year that we did it, we talked about the need to change the legislation, but we thought it would actually be a ladder step once we were used to working in the summary budget world in a more fulsome way and what the accountability model would and then should look like in follow-up to that. And this was the period of time that we had contemplated to do it, and I think that was the conversation that we had consistently had with the Provincial Auditor as well.

Hon. Mr. Doherty: — And I think it's also . . . I'll ask Terry to address this but your comments about other provinces with respect to their balanced budget legislation, what have you. Terry, if you just want to give a synopsis for the critic on other provinces and what they're doing.

Mr. Paton: — Yes. Coming up with balanced budget legislation is indeed a challenge. And it's been a challenge across the country, just in the same manner that we found the Act that we have is currently not serving our needs. We've done some studies across Canada, and I think of all the balanced budgets Acts that are currently in place, I think there's only one that either isn't repealed or suspended at this time. So across the country there's a lot of challenges with finding out what the right measures and how to properly come up with an Act that serves the government

Ms. Sproule: — In her 2013 report, the auditor indicated some information about legislation across . . . And maybe you could update me because I only have her 2013 recommendations. But she said seven provinces are required by legislation to provide a summary budget. Has that changed now?

Mr. Paton: — No. We do. I think all provinces provide a summary budget, including Saskatchewan.

Ms. Sproule: — But by legislation. Required by legislation.

Mr. Paton: — I can't speak as to whether or not they're legislated to do that or not.

Ms. Sproule: — I mean, without any reason to disbelieve her, that's probably . . . In 2013, that would have been the situation then, right?

Mr. Paton: — The question that the auditor was raising at that time was not whether or not we should do a summary budget. She was recommending that perhaps it should be in legislation as well. But indeed, in practice, that is what we were doing.

Ms. Sproule: — I understand that. I just am interested to know what your views are on having legislation. The minister indicated it's difficult because of the variabilities that you deal with. Very small variabilities can mean a lot of money. So is that why you're choosing not to do this by legislation?

Mr. Paton: — I don't think there's any indication for the province to be moving away from doing a summary budget. What we're talking about today is, you know, the balanced budget legislation which is what we're repealing and coming up

with in the fall. And as I said earlier, I'm not able to speak to what other provinces do in terms of legislating. They're required to do a summary budget.

Hon. Mr. Doherty: — And that may be part of our consultation process this summer. We do want to reach out to other provinces to determine what exactly it is that they do, what financial statements they present to the people of their respective jurisdictions, and how we can build upon that. And we're going to sit down with the Provincial Auditor and get her input on this as well.

Ms. Sproule: — I guess maybe I wasn't clear. What I'm saying . . . I guess I may not be representing the auditor properly on this report. This is on, I don't even know the page number here. It's under section 4.1.3 of her 2013 report. And she wasn't saying that you shouldn't get away from the General Revenue Fund reporting. Obviously she was recommending moving to summary. That was her recommendations, which you've done. This was just an analysis that she had provided of how summary budgets are treated in legislation in other provinces. So I'm not saying that she said you shouldn't go to summary. But she's just saying that there are . . . or that you shouldn't have legislation or you should have legislation.

But what she is saying in that summary there is that seven provinces, at that point, were required by legislation to provide a summary budget, so is the requirement. She went on to say that four provinces are required by legislation to provide multi-year summary budgets. Saskatchewan is not required to do so and prepares a single year summary budget.

And she said, I'm going on to quote her here: "Having governments provide plans for more than the upcoming year reduces the risk of mismatch between what a government promises and what is affordable." And she cites someone named Spackman as a footnote for that. So if and when you move towards legislation, would you be looking at multi or summary budgets? Or what are your views on that?

Hon. Mr. Doherty: — Well I think it's fair to say that we'll review that. We'll see what other provinces do. Having done a budget now as Chair of treasury board and having sat on treasury board for four years, it would be . . . I mean we put out a medium forecast when we present the budget with our medium forecast with respect to forecasted revenues and forecasted expenditures over the course of the next four years.

I'm not sure what the analysis is with respect to when they lay out multi-year budgets, whether it's as detailed as a budget when it comes down or not. I'd have to get briefed up on that because I just haven't taken a look at that. But as I said, we'll take a look at best practices across the country. We'll consult with the Provincial Auditor. I'm not sure what it means to lay out a multi-year budget plan to the detail of where you're laying expenditures on an individual basis per ministry. I just would find that extraordinarily difficult, particularly given the fluctuations on our revenue side. But we will take a look at that and see if those are best practices, if we can adopt a similar-type practice here in the province of Saskatchewan.

Ms. Sproule: — I guess this speaks to the next bullet in her paragraph where she identified that:

Six provinces use a format [for the multi-year presentation] similar to that presented in their Summary Financial Statements. Saskatchewan does not. For example, [she said] British Columbia provides the same level of detail as reflected in its Summary Financial Statements for the upcoming year and two years thereafter.

So that may be what you'll find out again when you go out and do your research, but she has presented that as information that I'm sure you'll be able to take a look at.

[19:30]

She goes on to say that "Six provinces have balanced budget legislation requiring a balanced Summary budget. Saskatchewan does not." And obviously our current balanced budget legislation was based on the GRF at that time. But I think you've indicated that that may have changed since 2013, so it sounds like that's in flux.

And the fifth bullet there is that "Five provinces are required, by legislation, to provide budget information that is notably more comprehensive than others . . . Saskatchewan does not." So in terms of a question . . .

Hon. Mr. Doherty: — In fairness, that's 2013. We have not brought in summary financial statements yet. I think her opinion of that has changed considerably.

Ms. Sproule: — Yes, and I'm just waiting for her updated report. So I want to go through it in conjunction with the recommendations that are here. So as soon as that report gets here I'll be able to do the comparable.

The first bullet or the first recommendation in 2013 — I think you have that — I just want to confirm this recommendation. The recommendation was "... that the Government of Saskatchewan provide information on planned revenues and expenses in its Summary Budget using the same accounting policies and format as used for the Summary Financial Statements." Has that been achieved?

Hon. Mr. Doherty: — You'll note, I'm advised, in the 2016 Provincial Auditor's report volume 1 on page 232, she states that this recommendation has been implemented.

Ms. Sproule: — Thank you. I will soon have that agreement here, so as soon as it comes in, I'll stop asking . . . [inaudible interjection] . . . Sure, if you have an extra copy here . . . [inaudible interjection] . . . Okay, perhaps I could get the Clerk to photocopy it.

Chapter 18, I've got a copy. So this is chapter 18. Thank you. I just wanted to make sure because what happened in her original chapter, there was 13, 12 recommendations but there's only six updates in the new chapter, so I just want to make sure that all 12 points have been addressed in that way. Okay, so that's been implemented. All right.

The second one is implemented. "We recommended that the Government of Saskatchewan seek changes to current legislation that would require the auditing and publication . . ." Now see, this is where the wording changes a little bit.

In her second recommendation in 2013, she identified that you "... seek changes to legislation that would require it to provide the Legislative Assembly with a Summary Budget . . . and consider providing a multi-year Summary Budget." Now that's not been implemented, clearly, and the way she reports it in the 2016 chapter 18, she said, "We recommended that the Government of Saskatchewan seek changes to current legislation to require the auditing and publication of only the Summary Financial Statements for the Government of the Province of Saskatchewan."

"Implemented." But how is that implemented? That's what I don't understand.

Hon. Mr. Doherty: — Because that's what we have, we present now is the summary financial statements as opposed to a GRF and summary financial statements in the second volume.

Ms. Sproule: — The changes to legislation, was it the changes to *The Financial Administration Act*? Is that what accomplished that? I'm talking about the changes to legislation.

Hon. Mr. Doherty: — This comes in *The Financial Administration Act*.

Ms. Sproule: — Okay. Could you explain to the committee how those changes to *The Financial Administration Act* in 2014 dealt with that recommendation?

Mr. Paton: — I don't have the specific wording with me here today but the Act has been changed to require only the preparation and the audit of the summary financial statements. It used to refer to the General Revenue Fund. It is now just the summary financial statements.

Ms. Sproule: — According to her, it removed the legal requirement to prepare and publish the audited financial statements for the GRF, but the recommendation was that it would require you to provide a summary budget in law. So although she said it's been implemented, there is a difference between what her initial recommendation was and what actually happened then. Is that correct?

Mr. Paton: — I think you're perhaps mixing two of her recommendations. I think the auditor originally made two recommendations — one which related to the financial statements and that we should legislate only the preparation and auditing of the summary statements, and she also made the recommendation as it relates to the budget. So there's actually two issues that are being addressed there.

Ms. Sproule: — So the third recommendation, I think, is the one that was addressed. I'm just comparing the two reports now. But the second one, can you confirm has not been implemented?

Hon. Mr. Doherty: — The second recommendation in the 2013 report?

Ms. Sproule: — Yes.

Hon. Mr. Doherty: — We don't have the 2013 report here so . . .

Ms. Sproule: — Actually I have another copy of that. We'll get here yet. We're on bullet 4.1.4 on the 2013 report.

Hon. Mr. Doherty: — Okay, so just for clarification, Ms. Sproule, on page 16 of the 2013 report no. 3, is that what you're referring to right now?

Ms. Sproule: — Well I was on no. 2, but I think . . .

Hon. Mr. Doherty: — No. 2 references multi-year budgets under a summary basis, correct?

Ms. Sproule: — Yes.

Hon. Mr. Doherty: — And that's my previous answer. I said that is part and parcel of what we're going to look at this summer when we look at other jurisdictions and what they do, and meet with the Provincial Auditor and talk to her about that. Have we prepared multi-year summary budgets? The answer is no. We do provide a medium forecast with a four-year forecast in the last number of budgets, including the Q3 [third quarter] report that was released on February 29th prior to the dissolution of this legislature.

Ms. Sproule: — Yes. I guess my point here is that — and my question was — this recommendation has not been implemented.

Hon. Mr. Doherty: — Correct.

Ms. Sproule: — Right. And for some reason it wasn't highlighted in the update on chapter 18 that came out in June, this month, earlier. So that's where . . . I'm just trying to track those original 12 and finding out the status of all of them, because the auditor didn't report back on all of them. So I just want to make sure.

So I know now that recommendation no. 1 has been implemented. We're agreed on that. Recommendation 2 is not implemented and recommendation 3 we just discussed, and that is in fact implemented, that you have made those changes to *The Financial Administration Act*. Good.

Now just moving along. We'll get through here. Number four, recommendation in 2013 reads, "We recommend that if balanced budget legislation is desired, the Government of Saskatchewan seek changes to current legislation to use the Summary Budget as the basis for . . . [a balanced budget]." So we're in the middle of that right now. You're repealing *The Growth and Financial Security Act*. You are doing consultation this year to see if you do desire this legislation.

Hon. Mr. Doherty: — Correct.

Ms. Sproule: — Okay. So we're good on that one. Thank you. I feel like I'm cooking with oil now.

Number five is the recommendation to seek changes to the Act to "Eliminate the use of "rainy day" funds for balancing budgets in conjunction with its elimination of the budget for the . . . Revenue Fund." So rather than changes, you're at this point repealing the Act in its entirety with a view to see what might . . . We don't know what will replace it, if anything.

Hon. Mr. Doherty: — And if you look at the 2016 report by the auditor on page 236, she states that the recommendation has been implemented by the repealing of this Act.

Ms. Sproule: — Yes, although her recommendation there was to seek changes. Not implemented, sorry. Okay. So that's not implemented.

Publish a debt management plan. Okay, so recommendation no. 6, so I think no. 6 is also included in this paragraph: "Publish a debt management plan that includes all of the debt of the Government." She had recommended that you seek changes to *The Growth and Financial Security Act* to publish a debt-management plan that includes all of the debt. So I think we could again say the bill is not being changed — it's being repealed — but that you're looking into it.

Hon. Mr. Doherty: — Correct.

Ms. Sproule: — So that's still not implemented. Okay. And then, where's the Debt Retirement Fund?

Hon. Mr. Doherty: — If you look just on the 2016-17 budget, on pages 50 and 51, that does include a four-year summary-based debt plan.

Ms. Sproule: — Right. That's a summary debt representation. And is that . . . Oh, yes, all the way to 2020. So although you've done it, you just haven't done changes to legislation, but you are reporting in that fashion. Good, okay. Thank you.

And then the seventh recommendation in the 2013 report was to eliminate the existence of the Debt Retirement Fund. Is that being achieved by repealing the Act? The Debt Retirement Fund will no longer exist?

Hon. Mr. Doherty: — Yes. Right.

Ms. Sproule: — That's basically been implemented in that sense through repeal.

Hon. Mr. Doherty: — Correct.

Ms. Sproule: — So that's done. The next one was to eliminate changes to the Act to eliminate interim reporting on the General Revenue Fund budget and to require quarterly public reporting on the summary budget. Now your Q3 and mid-term reports are on summary basis now, correct? It's just that it hasn't been put in legislation. That's just your decision, okay. So not in legislation. And I'm sorry, Mr. Minister, but did she comment on that in her report, recent report?

Hon. Mr. Doherty: — On page 235, she notes that we are no longer using the GRF for interim reporting as recommended.

Ms. Sproule: — Where does she say that? Oh, below the bullet there? Okay. So on page 235, in the grey bullet area.

Hon. Mr. Doherty: — Below the grey area.

Ms. Sproule: — Oh, you're below the grey area. Yes, I'm just looking at the grey area where it's not implemented.

Hon. Mr. Doherty: — “. . . has appropriately transitioned to summary budgeting and financial reporting.” And then it goes on to talk about, we’re no longer reporting on the GRF basis on a quarterly basis.

Ms. Sproule: — And that is very true. Yes. And then she goes on to say you’ve . . . Potential changes to the law for the government’s consideration is what you indicated in 2016. So the repeal is part of that. Did you make any other representations to the auditor regarding law changes or did you just indicate that you would be repealing *The Growth and Financial Security Act*?

Hon. Mr. Doherty: — I believe we indicated to her — Terry, correct me if I’m wrong — that we would be consulting and doing this consultation process over the summer and including conversations with her about what we should be developing with respect to reporting of financial statements to the people of Saskatchewan.

Ms. Sproule: — Very good. Where are we at now? Recommendation no. 9 “. . . require the auditing and publication of only the Summary Financial Statements . . .” In this year’s volume 1, volume 2, will you still have the GRF reporting in the volume 2?

Mr. Paton: — It will not be included in volume 1 at all on the General Revenue Fund. But again, volume 2 lists payments that are made by the General Revenue Fund, but that’s the extent.

Ms. Sproule: — Okay, which you’ve done now for ’14-15 and ’15-16. So it would be the same style that you’ve adopted recently.

Mr. Paton: — That’s correct.

Ms. Sproule: — Okay. Recommendation no. 9 then would be, hasn’t happened yet. I guess it would be not implemented.

Hon. Mr. Doherty: — I believe on page 233, she states that this recommendation has been implemented.

Ms. Sproule: — We recommended that expand . . . We recommend and seek changes . . . Okay, so that’s the . . .

Hon. Mr. Doherty: — So May 2014, if I might, Mr. Chair, for Ms. Sproule. That’s the changes to *The Financial Administration Act*.

Ms. Sproule: — I don’t want to go back because I thought that was no. 2 of her recommendations. We recommended the correct . . .

Mr. Phillips: — I’m just wondering about the relevance. I’m looking at the nine-line Act here and wondering about the relevance of the . . . It seems to me as we move into the new Act in the fall, we’ll be going through much the same. It seems to me we’re in the committee for the wrong thing. All we’re looking at is a repeal of a bill that is no longer applicable. That’s the bill we’re looking at tonight, and I’m wondering if we have to go through the whole auditor’s report to get there. And I’m just asking for relevance.

Hon. Mr. Doherty: — If I might just . . . And I appreciate, Mr. Phillips, your view. There’s only two or three more recommendations in that report. I think we can deal with Ms. Sproule and satisfy her questions on that and then move on to anything else with respect to the repealing of this Act. I think we can accommodate that.

[19:45]

Ms. Sproule: — Thank you, Mr. Phillips. I do appreciate your concerns. And I guess the fact is we’re in limbo right now, so these questions will be relevant, and particularly if the legislation doesn’t come forward. We don’t know for sure that it will, but I get your frustration.

The next one I guess is no. 10 on the auditor’s report, and it’s about using GAAP [generally accepted accounting principles] principles in the preparation of the summary financial statements. Is that something that you are now doing?

Hon. Mr. Doherty: — Correct. And if you look at, I would reference page 234 of the 2016 report notes that the government is using GAAP for the public sector even though it is not required under law.

Ms. Sproule: — And so again, we’re in that voluntary choose-to-do. Okay. So technically the changes . . . Will you be . . . Oh, I guess you can’t tell me, but is that under consideration as well then as changes to *The Financial Administration Act* to enshrine that in legislation?

Hon. Mr. Doherty: — We will consider it. Again, it’ll be part and parcel of what we review. I’m advised that British Columbia is the only province with that requirement enshrined in law.

Ms. Sproule: — Now we move on to number 11, which is a recommendation to expand the financial statement discussion and analysis included in Public Accounts volume 1. And that has been achieved, correct?

Hon. Mr. Doherty: — Excuse me, page 233, the Provincial Auditor states that this recommendation has been implemented.

Ms. Sproule: — There we are. And I apologize. Normally the auditor goes in order, so this is a bit jumpy, and I apologize for that. And that would be the end of the recommendations. Okay. That’s it for the auditor’s report. I just want to check my notes quickly to make sure I’ve covered everything.

One question about . . . No, I think we can save that for Finance committee actually. And we’ve covered that. Well I think I’m going to leave that and I may bring it up in committee next week. I think we meet again. It’s a more general question than specific to this bill. So believe it or not, Mr. Chair, that’s the extent of my questions on the repeal of this bill.

The Chair: — Thank you, Ms. Sproule. Are there any more questions? Okay, we will continue on then. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 and 3 agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan enacts as follows: *The Growth and Financial Security Repeal Act 2016*. I would ask a member to move that we report Bill No. 21, *The Growth and Financial Security Repeal Act 2016* without amendment.

Mr. Phillips: — I so move.

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

Some Hon. Members: — Agreed.

The Chair: — Carried. We will now have a recess here to . . . No, I guess we don't need to change officials, do we? Okay, we'll just continue on then if everybody's happy with that.

Hon. Mr. Doherty: — Mr. Chair, we have some other officials to move in here. We don't need to recess, but I would like to thank Mr. Paton and officials from the Provincial Comptroller's office. And thank you, Ms. Sproule for the great questions, and hopefully we're able to clear up some things for you. And we're ready to go. We'll just switch chairs here with some officials and we're ready to go, Mr. Chair.

Bill No. 22 — *The Income Tax Amendment Act, 2016*

Clause 1

The Chair: — Okay we will now consider Bill No. 22, *The Income Tax Amendment Act, 2016*, clause 1, short title. Mr. Minister, would you please make your opening comments?

Hon. Mr. Doherty: — Thank you, Mr. Chair, and thank you committee members. I'm still joined by the Finance officials I introduced earlier, so I'll move right into comments and then open up for questions. So I want to thank committee members for allowing us to be here this evening to be able to speak to the amendments to Bill No. 22, *The Income Tax Act, 2000*, which implement the income tax initiatives announced in our government's 2016-17 budget.

As I noted when I moved second reading of this bill, there are also several amendments being made because of changes that have been made by the federal government to the federal *Income Tax Act*. Our amendments are necessary to either conform to the federal rules or to adjust where the federal rules no longer work in the provincial context. These amendments include an adjustment to the provincial dividend tax credit rate on certain dividends to ensure that provincial income tax on this dividend income doesn't increase as a result of federal changes.

There is also a new provision to ensure that the provincial calculation of the charitable donation tax credit does not change. The federal government has also made a change to the taxation of trusts, and the province is required to match that change. Mr. Chair, beyond these technical amendments, this bill also includes technical amendments to the new growth tax

incentives that we introduced last year.

The M & P [manufacturing and processing] exporter tax incentive, which consists of a general hiring tax credit and a head office tax credit, was created to encourage companies to expand their employment in order to achieve the government's goal of doubling Saskatchewan's exports by 2020. Amendments will clarify that the transfer of employees between related companies, of the conversion of contractors into employees which do not result in new Saskatchewan jobs will not qualify for these tax credits.

Also introduced last year was a tax incentive to encourage new capital investment in primary steel production in Saskatchewan. The tax incentive provides a rebate of the incremental Saskatchewan tax payable by a corporation as a result of the new investment. The incremental tax is determined as the proportionate share of the company's total tax based on the incremental tonnes of steel produced after the capital investment. Amendments will clarify that the rebate calculation will focus on the new product lines that result from the capital investment rather than the total production of the company.

Mr. Chair, I noted in my second reading address the new feature that has been added to the graduate retention program. This initiative, already the most aggressive youth retention program in the country, has been made even better by allowing graduates to draw forward their tuition rebates to be used towards the down payment on a home in Saskatchewan.

The first home plan initiative will better align graduate retention program benefits with the recruitment and retention of graduates in support of the plan for growth goal of expanding Saskatchewan's labour force by 60,000 new workers by 2020.

As noted when the new program was announced, graduates who utilize the first home plan will not be able to also claim the first-time homebuyers tax credit for provincial tax purposes. That tax credit is being amended to implement that restriction.

Finally, Mr. Chair, as noted in the budget, the active families benefit is being eliminated, and this bill effects that change. Thank you for allowing me to make these brief comments. We are now prepared to answer questions from the committee.

The Chair: — Are there any questions from the committee? Ms. Sproule.

Ms. Sproule: — Mr. Chair, I just want to kind of go through some of these changes and make sure that they're clear, and that I understand them anyways. The first one, if I understand correctly, is reflecting the changes in the federal *Income Tax Act*. Maybe you could just . . . What I'm understanding, it's a removal of inter vivos trusts federally, and so that's why the changes are required to this Act. Could you just explain for the committee a little about the changes federally?

Mr. Srinivas: — Thank you, Mr. Chair. Arun Srinivas with the Ministry of Finance. So the federal Act was amended to apply the top federal tax rate to grandfathered inter vivos trusts or trusts created by will and certain estates, beginning in the 2016 taxation year. These trusts were previously able to use the graduated tax rates to calculate their tax payable. Federal

amendments will also allow certain estate-related trusts a 36-month period during which the graduated rates would still apply.

So based on the federal changes, references to inter vivos trusts must be now deleted from section 9 of the provincial Act in order to conform with the changes that have been made to the federal Act.

Ms. Sproule: — Right. So I guess the changes that are being made are for trusts that only deal with wills or estates?

Mr. Srinivas: — Essentially, that's correct.

Ms. Sproule: — Okay. And one thing I'm just wondering on the marginal notes right now say, "rate of tax on inter vivos trusts." Can that be changed without a change to the legislation? The marginal notes? Because you've changed the section 9(1) itself, but in the Act, it also refers to inter vivos trusts in the marginal note or the heading of the Act. So I just, I don't know. And maybe Justice would be better.

Mr. Srinivas: — Yes, I think Justice might be better to . . .

Ms. Sproule: — Okay.

Mr. Srinivas: — Yes.

Ms. Sproule: — Because, no longer . . . Like the marginal note or the heading now is incorrect.

Mr. Srinivas: — I'm not sure about this. It's my understanding that the marginal notes are not actually part of the Act.

Ms. Sproule: — That's correct, yes.

Mr. Srinivas: — So I don't think the marginal note needs an amendment.

Ms. Sproule: — I think that's correct. Okay.

The next change then is to section 19.2, and that is the graduate credit. Just a couple questions to understand the numbers as this change goes in. If you have \$20,000, say as your . . . under the graduate retention program, you can leave it in and just use it as a credit. What's the maximum credit now? Is it 2,000 a year that you can apply for?

Mr. Srinivas: — Yes. It's over the seven-year instalment period. It's 10 per cent in each of the first four years and 20 per cent in each of the next three years. So if you're able to claim the maximum amount of \$20,000, it would be \$2,000 in each of the first four years and \$4,000 in each of the next three.

Ms. Sproule: — All right. And then if you apply for the home — I have to find my chart here — the home . . .

A Member: — First home buyer . . .

Ms. Sproule: — First home . . . No, the first home plan loan is the new piece. But if you . . . Yes, if you apply for the, I'm not familiar with this program, the homebuyers credit . . .

Hon. Mr. Doherty: — The first-time homebuyers tax credit?

Ms. Sproule: — Yes. There is interest . . . Somehow you can end up with 21,100. Is that through just letting it sit there for seven years? You actually get interest on it, or is it just the maximum?

Mr. Srinivas: — No, so the graduate retention program would pay rebates up to \$20,000 of tuition that had been paid. The first-time homebuyers tax credit offers a non-refundable tax credit which is equivalent to \$1,100. But they're two separate, distinct programs.

Ms. Sproule: — Okay. So that's in addition to the 20,000, or is it . . .

Hon. Mr. Doherty: — Two separate programs.

Ms. Sproule: — Okay. And so potentially a person could, if they used the . . . I'm sorry; I'm just trying to understand this. The first-time homebuyers credit, if they use that, they could potentially access \$20,000 under the graduate retention program plus the 1,100 under that credit.

Hon. Mr. Doherty: — Correct.

Ms. Sproule: — Okay. And now you're saying with this new change, if you choose to go under the First Home plan loan under the graduate retention program, that would make you not eligible for the homebuyers credit, but you could actually benefit from the home plan loan because you're not paying interest, so ultimately it might be an equivalent. Like I don't know if you would save \$1,100 in interest on the interest-free loan, but is that a consideration?

Mr. Srinivas: — Yes, it is. You know potentially there's a doubling up of benefits, and so the reason to restrict the first-time homebuyers tax credit if you're taking advantage of the First Home plan loan is to avoid the doubling up of two provincial incentives that are both directed at encouraging the purchase of a first home in Saskatchewan.

Ms. Sproule: — Thank you. I'm way older than buying my first home, so obviously I haven't thought about this a whole lot. But I know a number of people will be, so maybe that will help bring some clarity as well. I'm not sure. Certainly my staff understand it way better than I do.

[20:00]

Let's move on then. So that's the changes under section 19. Now we're looking at 21. One of the things I found interesting in the amendments here is that under the changes to 21(2), we're now talking about cultural gifts and ecological gifts. And I understand it's a federal change, but obviously it is required to be reflected here as well. Can you describe for the committee what would be considered a cultural gift or an ecological gift?

Mr. Srinivas: — And both cultural and ecological gifts were previously eligible. It's just by no longer adopting the federal formula and inserting the formula into the provincial Act, we needed to improve the referencing in the provincial Act. So these always have been eligible for the provincial tax credit.

We've just got references to these now. So a cultural gift is an object that the Canadian Cultural Property Export Review Board has determined meet particular criteria of the *Cultural Property Export and Import Act* and has been gifted to an institution or public authority in Canada that is designated under the *Cultural Property Export and Import Act*.

And an ecological gift is a gift of land which has been gifted at fair market value as certified by the Minister of the Environment and certified to be ecologically sensitive land, the conservation and protection of which is, in the opinion of the minister, important to the preservation of Canada's environmental heritage.

Ms. Sproule: — Thank you for sharing that. So now you're using your own formula rather than referring to the federal Act. Is that basically the change?

Mr. Srinivas: — Yes, that's correct. And the reason for that is with the addition of the new higher federal tax rate, the 33 per cent rate, the federal formula was changed to incorporate that rate to the extent that gifts are made in amounts exceeding \$200,000. And since that rate doesn't apply in the provincial context, we could no longer adopt the federal formula.

Ms. Sproule: — Okay. I don't know if you're interested in the explanatory notes. There's a little bit of a typo in that explanation. So the word "longer," I think it should say "no longer applies." So I don't know if these get updated. I think that's what it's meant to say.

Now we're on to the dividend tax credit for federal small business or in relation to the small-business tax rate. Now here you're changing the amounts. Could you perhaps explain to the committee why these changes were needed. I know the minister did in his opening comments, but help us out; just explain it a little more.

Mr. Srinivas: — Okay. The 2015 federal budget announced that the small-business tax rate for federal tax purposes would decline in 2016 to 10.5 per cent. The 2016 federal budget confirmed that that rate would remain at 10.5 per cent for future years. The budget also reduced the gross-up factor for non-eligible dividends which are generally dividends received from small-business corporations, that that gross-up factor would be reduced from 18 per cent to 17 per cent for dividends paid after 2015.

As a result of the linkage between the federal and provincial income tax systems, the federal change to the gross-up factor for non-eligible dividends will automatically apply for provincial income tax purposes and would have resulted in a decline in the value of the provincial dividend tax credit since the provincial dividend tax credit is calculated as a percentage of the federal gross-up. So where the provincial dividend tax credit was a rate as a per cent of the 18 per cent gross-up, it's now a rate as a per cent of a 17 per cent gross-up. If we hadn't made a change, then the provincial dividend tax credit would shrink, and provincial tax on that type of dividend income would increase.

Ms. Sproule: — So essentially you're locking in those figures for 2016 and beyond.

Mr. Srinivas — Right.

Ms. Sproule: — Okay, thank you. Can you just quickly explain what a gross-up factor means?

Mr. Srinivas: — I could make an attempt to make it somewhat simple.

So when you receive a dividend from a corporation, the amount that you receive for tax purposes is grossed up. So if you receive a dividend of \$100, it'll be grossed up to \$117 now, and the \$117 is what you would include in your taxable income. The extra \$17 is representative of the income that the corporation earned before it paid tax, and so what the mechanism does is it taxes you on the corporation's pre-tax income, and then the dividend tax credit provides a credit in recognition of the tax that the corporation paid at the corporate level.

Hon. Mr. Doherty: — So it's not double taxation.

Mr. Srinivas: — So there's no double taxation.

Ms. Sproule: — That is complicated.

Section 39.2 is simply the removal of the active families benefit. I think it's reported in some of your documents, but can you report to the committee how much money this is going to reflect when you completely eliminate the amount. How much more money will be collected?

Hon. Mr. Doherty: — \$5.5 million.

Ms. Sproule: — Okay. Thank you. Next is 64. This is the head office section. I just have to find that section 64. I have a couple of questions on this one. Again, Mr. Minister, you did explain generally what is going on here. We had a couple of questions about this change, and I'm wondering how it'll affect . . . And we were thinking about Potash Corporation, for example. If they had an employee who moved from their plants in Nova Scotia to Saskatchewan, would that be still a new net Saskatchewan-based job or . . . It's the same corporation.

Hon. Mr. Doherty: — So I'm advised the potash industry would not qualify because they're not a manufacturer or processor.

Ms. Sproule: — Let's take potash out of the picture then. If a manufacturer had operations outside of the province and for whatever reasons moved an employee to Saskatchewan, would that be considered a net new job?

Hon. Mr. Doherty: — That's correct.

Ms. Sproule: — So as long as the Saskatchewan workforce is expanding by one, then that would be considered regardless of how many plants they had wherever.

Hon. Mr. Doherty: — Correct.

Ms. Sproule: — All right. But in the instance of moving from Saskatoon to Regina, then that would not be eligible for the calculation.

Hon. Mr. Doherty: — Correct.

Ms. Sproule: — All right, I think that's the only question I had there.

On clause 64, the changes to 64.5, primary steel production rebate, so this is, I assume, for Evraz. Are they the only primary steel producer in Saskatchewan at this point?

Hon. Mr. Doherty: — Correct.

Ms. Sproule: — Here there is a significant change to the formula. I'm going to check my notes here. Oh and this ties in with . . . So you're just basically going back in time to fix a small problem in the credit that was introduced last year, I believe, yes, '15-16 budget. The question we have is, have there been credits given under this section already? Would they now be repayable? Like, did they actually take advantage of this before you made the correction?

Mr. Srinivas: — To date, there have been no credits issued under this section of the Act. We expect that Evraz will make application under this section, but we don't expect that application to be made until their expansion is complete which may be another year to two years.

Ms. Sproule: — So if the production increases now under just ordinary operations, then it wouldn't be considered incremental production and eligible for the credit.

Mr. Srinivas: — No. The incremental production has to arise from a capital investment, a minimum capital investment of at least \$100 million.

Ms. Sproule: — Thank you for that. In terms of . . . Just one more question and I'll be through. Going back to the graduate, the loan that's being provided, what is the total . . . Actually I have two more questions. What would be the total loss or credit to them, and the total amount that wouldn't come into the government coffers if the graduates all took advantage of this loan? Is that calculable?

Mr. Srinivas: — Because the loan advances the amount of the graduate retention program tax credits that they would otherwise be eligible for, really there's no incremental cost to government.

Ms. Sproule: — It's just a different way of accounting for it. I understand that the agency that will be responsible for the loan advances is . . .

Hon. Mr. Doherty: — Sask Housing Corporation.

Ms. Sproule: — Sask Housing Corporation? Thank you. And apparently on May 27th, there was a breach of privacy because a bunch of emails were sent out with the names not hidden properly. Can you report to the committee what any results of that were? Or are you familiar with what's going to happen there?

Hon. Mr. Doherty: — To be honest with you, that's the first I've heard of it, Ms. Sproule. So we'll look into that and endeavour to get back to you.

Ms. Sproule: — Sure. Maybe it's something that Sask Housing needs to answer, but it certainly will impact the . . .

Hon. Mr. Doherty: — I just asked my officials, and nobody was aware of it.

Ms. Sproule: — It's a CBC [Canadian Broadcasting Corporation] article on May 27th.

Hon. Mr. Doherty: — Okay, we'll look into that and endeavour to get back to you with what remedies have been taken by Sask Housing Corp.

Ms. Sproule: — Thank you very much. That's exactly what I'm looking for.

All right, Mr. Chair, I think that's the extent of my questions for this particular bill.

The Chair: — Thank you, Ms. Sproule. Are there any more questions? Seeing there are no more questions, we will continue on then.

Ms. Sproule: — Can I ask one more question?

The Chair: — Okay. Yes you . . .

Ms. Sproule: — I guess one of the problems with this breach of the email is that a number of banks and — actually it says real estate agents — are now trying to sign these guys up to buy homes. And so is there any way for banks to take this loan money . . . Is there any advantage to banks to take . . . Sorry, I've got to read the question better. Are any banks or lenders not accepting this tax credit as a down payment?

Hon. Mr. Doherty: — We stand to be corrected, but I believe that the two major insurers, CMHC [Canada Mortgage and Housing Corporation] and — the other name escapes me — Genworth have both approved this for down payments, so therefore most if not all financial institutions are accepting them because of the fact that CMHC and Genworth have approved them.

Ms. Sproule: — Good. That is my last question, thank you, Mr. Chair.

The Chair: — Okay, well thank you for that. Okay, we will get started here. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[20:15]

[Clauses 2 to 13 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Income Tax Amendment Act, 2016* without amendment. I would ask a member that we move this report.

Warren Kaeding. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Bill No. 22, *The Income Tax Amendment Act, 2016* without amendment. Mr. Kaeding has moved and that's agreed.

Some Hon. Members: — Agreed.

The Chair: — Carried. Okay, Mr. Minister, would you have any final remarks please?

Hon. Mr. Doherty: — I would, Mr. Chair. I wish I would have had Mr. Srinivas as a study partner when I was writing my certified financial planner designation because it would have been a lot easier to understand all the tax questions. But I think viewers and members of the committee will note that we're very well served by our public service, and I'm very well served as Minister of Finance by these terrific officials in the Ministry of Finance. So thank you to Ms. Isman and all of the officials here this evening. Arun, thank you. And thank you to Ms. Sproule, the critic, for her great questions and dialogue. And committee members, I appreciate that. Thank you, Mr. Chair.

The Chair: — Ms. Sproule.

Ms. Sproule: — Thank you very much. I would also like to express my gratitude to the members of the committee and you, Mr. Chair, and certainly the minister and the officials for bringing me up to speed on what's going on. And I appreciate the fine work, thank you.

The Chair: — Well seeing that we have completed our business this evening, I'll ask a member to move a motion of adjournment.

Mr. Dennis: — I so move.

The Chair: — Mr. Dennis has so moved the motion. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned until Monday, June 27th at 3:30 p.m.

[The committee adjourned at 20:17.]