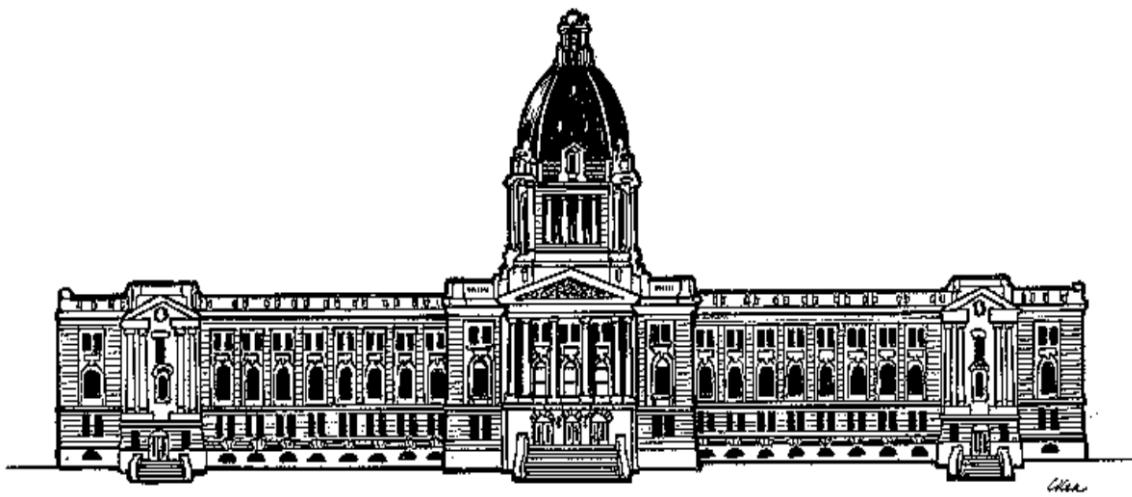




# **STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE**

**Hansard Verbatim Report**

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**Legislative Assembly of Saskatchewan**

**Twenty-Eighth Legislature**

**STANDING COMMITTEE ON INTERGOVERNMENTAL  
AFFAIRS AND JUSTICE**

Mr. Greg Brkich, Chair  
Arm River

Mr. Doyle Vermette, Deputy Chair  
Cumberland

Ms. Nancy Heppner  
Martensville-Warman

Ms. Lisa Lambert  
Saskatoon Churchill-Wildwood

Mr. Eric Olauson  
Saskatoon University

Mr. Doug Steele  
Cypress Hills

Mr. Warren Steinley  
Regina Walsh Acres

[The committee met at 15:17.]

**The Chair:** — I want to welcome the committee members here today for this afternoon. I'm the Chair, Greg Brkich. The members are Doyle Vermette, Deputy Chair; Nancy Heppner; Lisa Lambert; Eric Olauson; Doug Steele; and Warren Steinley. We do have a substitution: Warren McCall for Doyle Vermette.

This afternoon the committee will be considering the estimates for Tourism Saskatchewan and also Bills 48 and 49.

**General Revenue Fund  
Tourism Saskatchewan  
Vote 88**

**Subvote (TR01)**

**The Chair:** — We will now begin with vote 88, Tourism Saskatchewan, subvote (TR01). Minister Harrison is here with his officials. I'll ask the minister to please introduce your officials and make your opening comments. Thank you.

**Hon. Mr. Harrison:** — Sure. Well thank you very much, Mr. Chair, and thank you to committee members for being in attendance. It's a pleasure to be here today on behalf of Tourism Saskatchewan.

I want to introduce our officials that are here today as well. I think committee members are familiar with most from past episodes of estimates. But on my right is, of course, our CEO [chief executive officer], Mary Taylor-Ash. On my left, our chief financial officer and exec director of corporate services, Veronica Gelowitz, who I'm sorry to say on behalf of Tourism, that we are losing on Monday to go to Environment. But I know she's going to do a great job over there. And I want to thank her for her service — six years at Tourism Saskatchewan. Seated behind me, executive director of industry and community development, Ken Dueck; and exec director of marketing and communications, Jonathan Potts.

As members know, tourism is one of the world's fastest growing industries, and it is big business in Saskatchewan. Between 2008 and 2014, annual travel expenditures and visitation grew by 35 and 48 per cent respectively. In 2015 more than \$2.15 billion in travel spending was recorded, and the number of visits to and within the province reached 12.2 million. Approximately 4.6 million of these were for one or more nights, with 1.44 billion spent on overnight or longer stays. This was equivalent to visits and expenditures in 2014 showing that tourism has held steady through tougher economic times in both Saskatchewan and Alberta, our primary markets. Figures from 2016 will be available later this year.

Saskatchewan hospitality is second to none. Throughout the province, communities large and small, urban and rural, are places where visitors are warmly welcomed and made to feel like family. There are approximately 3,200 organizations offering 4,200 tourism products and services which provide that welcome. These organizations employ nearly 65,000 Saskatchewan citizens. The tourism sector is 95 per cent small or medium-sized operations, with 79 per cent of these situated in communities other than our two major cities.

A solid team of professionals at Tourism Saskatchewan drives efforts to enhance the province's image and assists the tourism sector in growing the economy. This benefits the people of the province and helps to make Saskatchewan a great place to live, work, and visit. Tourism Saskatchewan's vision is for a vibrant entrepreneurial tourism industry offering year-round compelling and memorable Saskatchewan experiences.

Tourism Saskatchewan's 2016-17 fiscal year was one that saw the organization continue marketing efforts consistent with the province's tourism brand. Consisting of three pillars, this brand speaks to the qualities and characteristics that set our province apart from other destinations — land and sky, time and space, and community.

Last year two commercials aired that featured compelling images and stories from the northern part of our province. They focused on canoeing in the Churchill River and family adventures in Prince Albert National Park. Filming in the summer of 2016 captured footage and still photography in Saskatoon, showcasing Saskatchewan's urban experiences coupled with nature. And I think many members have most likely seen that advertising running right now.

Targeted and focused social media campaigns and messaging resulted in a combined growth of 90 per cent in this last fiscal year across all of Tourism Saskatchewan social media channels. In 2016-17 TS [Tourism Saskatchewan] participated in a co-operative angling promotion in the United States with Destination Canada and a number of other provinces and territories, which has shown very promising results for engagement and interest.

In 2016-17 Tourism Saskatchewan developed sophisticated profiles of existing and potential Canadian tourism markets and began implementation of highly targeted marketing. For every dollar invested in advertising, \$40 in visitor spending is realized, which is an impressive return on investment.

In 2016-17 TS developed a comprehensive content strategy which will be implemented beginning this year. The recommendations from this strategy will place the organization in the forefront of tourism marketing as they undertake a more customer- and technology-centred approach.

Event hosting programs supported a total of 38 events in 16 communities in 2016-17, with impressive economic returns. Twenty-one of the smaller supported events were selected for economic assessment last year. From an investment of just over \$256,000, those 21 events supported nearly 85 jobs, and produced a gross output, economic impact of \$7.1 million.

Tourism is working closely with tourism operators from across the province to expand experiential tourism. A number of operators have enthusiastically participated in a pilot program which is aimed to support creative approaches and practices that will enrich product offerings and visitor engagement.

A strong, professional tourism industry is dependent on a trained and skilled workforce. In 2016-17, the Saskatchewan Tourism Education Council, or STEC, delivered industry training and skill development products to over 7,000

participants, a 29 per cent increase over last year, and 42 per cent over the target of 5,000. This was partially driven by the new requirement for responsible service of alcohol training.

The Ready to Work program, which focuses on training to find long-term careers in hospitality and tourism, was delivered to 188 individuals. Over 80 per cent of participants, the majority of whom are indigenous, obtained employment or returned to school after receiving this training.

We're proud of the success and accomplishments of tourism in the province for maintaining steady economic figures in leaner times to the fact that Saskatchewan brought home two national tourism awards again last year. These award winners were Wanuskewin Heritage Park, winner of the Aboriginal Cultural Tourism Award; and Dan Cardinal, of Saskatoon Sheraton Cavalier Hotel, winner of the Employee of the Year Award.

I appreciate the opportunity to speak about the strong industry and success, and I thank the committee for their attention.

**The Chair:** — Thank you. Any questions? Mr. McCall.

**Mr. McCall:** — I think we've got one or two, Mr. Chair. Thanks for that, Mr. Minister. Officials, good to see you. And just off the top, thanks very much for the great work you do showcasing this beautiful province of ours. So thanks for that.

I guess the particular question I'd have, is just off the top, the budget has seen a reduction. If you could, characterize that impact on the operations of Tourism Saskatchewan.

**Hon. Mr. Harrison:** — Sure. Yes. I absolutely can, and appreciate the question, and I appreciate the kind words. I think that . . . I really do think that Tourism Saskatchewan does an incredible job in marketing this province across the country, and I think the ads that we're seeing running right now — it's the P.A. [Prince Albert] National Park one, and the one that was filmed in Saskatoon — I really, I received great feedback and I'd be interested in feedback members received on those, but I think they've been done extraordinarily well.

So in terms of the reduction, there was a 5 per cent reduction in the operating grant for Tourism Saskatchewan this year, which was in line obviously with the call for estimates, and the target that had been set for us by treasury board and Finance. How that was met was, you know, we've had in place a, you know, an objective over the last number of years to move out of the visitor reception centre business, and I think we've spoken about that in past years. There were two VRCs [visitor reception centre] that were remaining, in Maple Creek and in Fleming, so we have exited that space.

We've seen significant reductions in visitation over the years to those visitor reception centres. And I think, you know, people know why, in that largely you can do your research and other sort of planning activities for tourism experiences online and through phones and iPads and those sort of things. So we've seen this across Canada; it's not just here in Saskatchewan. But we've seen a trend in this direction across the country. So that resulted in a savings of nearly \$300,000.

There was a reduction in the event funding program as well,

and that was primarily through not renewing a contract with the Saskatchewan Roughriders. That was the prime reduction there. And as far as . . . There was some reduction in terms of administration savings, efficiencies, that were a little less than 200,000, so that added up to the 5 per cent reduction.

**Mr. McCall:** — Thanks very much for that, Mr. Minister. In terms of the . . . how the 5 per cent reduction for Tourism Saskatchewan overall, how does that stack up aside the 3.5 per cent reduction that has been called for in terms of compensation for employees, both in-scope, out-of-scope, across government?

**Hon. Mr. Harrison:** — Right, well, I mean as far as the specifics, I mean, I've said in the House and in the rotunda and elsewhere, I mean, the target is a 3.5 per cent reduction across government, \$250 million total compensation savings. That's the objective. I'm not going to speak to any of the specifics, and I think you would find the same response from other ministers, in that those reductions are going to be bargained collectively and those discussions are going to take place. So you know, I'm not going to comment or speculate on any sort of specifics around that, other than to say that there's a target across government and that's what the intention of the government is to meet.

**Mr. McCall:** — So that 3.5 per cent off payroll is still to come.

**Hon. Mr. Harrison:** — Well, I mean, again, you know, the premise, I would disagree with it. What I would say again is that the target is 3.5 per cent in terms of compensation reduction across government, and how that is achieved is going to be negotiated and collectively bargained.

**Mr. McCall:** — In terms of then the bargaining process with Tourism Saskatchewan, if you could just talk about what the staff complement is for Tourism Saskatchewan, those in-scope, those out-of-scope, and what the different bargaining arrangements are for those two complements.

**Hon. Mr. Harrison:** — Right. Well I'll let Mary kind of speak to the specifics. We have 74.6 FTEs [full-time equivalent] in total at Tourism. Maybe, Mary or Veronica, you could speak to the breakdown as to in-scope, out-of-scope, and which bargaining unit represents those in scope.

**Ms. Taylor-Ash:** — I will just start. We are in an agreement, a collective agreement with our union. SGEU [Saskatchewan Government and General Employees' Union] represents our in-scope employees, and that agreement doesn't terminate until the end of September 2018. So we have a different . . . We negotiate separately with our union, outside of the larger union. Veronica's probably . . . I think she's got the breakdown for you on in-scope, out-of-scope.

**Ms. Gelowitz:** — Yes, so we have 19.6 out-of-scope FTEs and 55 in-scope FTEs.

[15:30]

**Mr. McCall:** — Nineteen point six out-of-scope, and . . .

**Ms. Gelowitz:** — 55.

**Mr. McCall:** — Fifty-five. So in terms of the . . . Are there any measures impending with the out-of-scope complement in terms of staff at Tourism Saskatchewan that would go towards the 3.5 per cent reduction in compensation target that's been set by executive government?

**Hon. Mr. Harrison:** — Yes, I mean . . . You know, those kinds of discussions are going to continue. Again we just kind of refer to the overall goal, which is the reduction across government, and we're going to, you know, work towards that.

**Mr. McCall:** — Maybe to ask it in a different way, is there a timeline attached to those considerations?

**Hon. Mr. Harrison:** — Well I would say that you're probably going to see something relatively soon on out-of-scope. With regard to in-scope though, those are going to be discussed, negotiated, bargained. But I'm not going to get, probably . . . I'll just leave it at that, that there's probably going to be something sooner rather than later you're going to hear on that front.

**Mr. McCall:** — I guess . . . Will we hear about that before the end of session?

**Hon. Mr. Harrison:** — I hesitate to kind of give a specific time because I don't think that that's been determined as of yet. I would just say that there is something coming.

**Mr. McCall:** — I guess we're here in estimates. It's always good to get an estimate on . . .

**Hon. Mr. Harrison:** — Well I'll say in the next quarter.

**Mr. McCall:** — Okay. I guess, and you know, I laugh because I don't know what else to do sometimes, Mr. Minister. And certainly I haven't been through a ton of estimates of yet in this round, but I've been through a round in Central Services, and the lack of detail that was forthcoming as to how that 3.5 per cent reduction was going to be accomplished by that government agency was kind of mystifying.

So within the quarter to come, we'll get further information on what's happening with the out-of-scope complement. And then in terms of the collective bargaining agreement being not open until or concluding in September of 2018, does that effectively take that group of people off the table in terms of their compensation?

**Hon. Mr. Harrison:** — Well again, you know, I'm not going to be able to speak to specifics. I think you know why. I mean in terms of the discussions that are going to take place between union representatives and government, executive government, I'm not going to prejudge. I'm not going to prejudice. I'm not going to comment on any of the details that may or may not be on the table or not on the table in the context of those discussions.

Those are going to happen — I'm very confident — in good faith, and they are — I'm sure — going to be productive. I don't want to, though, get into the business of speculating or commenting on any of the specific items that might be discussed or addressed in the context of those discussions.

**Mr. McCall:** — In terms of the FTE complements overall, is there a reduction? Have there been people released from Tourism Saskatchewan?

**Hon. Mr. Harrison:** — Yes. There was a 2.9 FTE reduction that were directly attributable to the visitor reception centres being closed in Maple Creek and Fleming. I would say, though, that I mean we've been working . . . There was a significant degree of interest from municipal government in the Maple Creek situation. I would say the MLA [Member of the Legislative Assembly] was very involved as well in, you know, how we could transition that centre. There was an interest on the part of the municipal government to continue to operate. So we've worked with them as far as the arrangement in the near term for that facility to continue and for that government to partner with, I think, with other municipalities and organizations as well in continuing to operate the facility in Maple Creek.

**Mr. McCall:** — The facilities in Maple Creek and Fleming, have they been discharged yet? Is there an ownership relationship between Tourism Saskatchewan? Is it an asset that's owned outright by Tourism Saskatchewan? And what is the disbursement policy that will be followed in this case?

**Hon. Mr. Harrison:** — Right. No, a question I'll ask Mary to address.

**Ms. Taylor-Ash:** — The buildings that we operate the visitor reception centres out of are owned by Central Services. And the minister alluded to the Maple Creek centre being opened this year, continuing to be open, but being open as a regional centre. And so we were very fortunate to have a lot of interest from Maple Creek, the town, and the Cypress Hills destination area, along with interest also in Swift Current, with running that centre as a regional centre.

So Central Services has an arrangement where they're leasing the centre to these interested parties. So we're really hoping that it will be a transition year and that visitor services can continue on a regional basis, utilizing that building. But the buildings are not ours, and so the negotiation certainly is with Central Services.

Fleming, I think there may be some interest in that area as well but not . . . They're interested in the building but not to operate it as a visitor reception centre, but may be interested in discussing that with Central Services in terms of a purchase or something of that nature.

**Mr. McCall:** — Okay. Thank you for that. The minister had referenced the return on investment. If you could just state that again, I have some follow-up questions.

**Hon. Mr. Harrison:** — No, happy to do so. I mean, it's approximately a \$40 return for every dollar that we've . . . Then that's into marketing specifically, yes.

**Mr. McCall:** — I guess this is a question that we've had opportunity to consider before, Mr. Minister, perhaps in different circumstances in terms of Innovation Saskatchewan or Saskatchewan Research Council. But I'm always struck by the fact that if there's such a great return on investment, then why

not, you know, the next dollar and the dollar after that, if you're going to get that kind of a return on investment? So you put those kind of decisions alongside the sort of across-the-board 5 per cent cut that was directed on the part of the executive government. So if you've got that great return on investment, why not invest more?

**Hon. Mr. Harrison:** — Well I mean there's a point where you obviously think that you're doing enough. I don't know. I guess conceivably we could be spending more, but the point is that we feel what we're spending is the appropriate amount. You know, we work closely with partners in this. Destination Canada is a partner. I think we've been successful in leveraging more resources from the national government.

You know, we are always reassessing where we invest our marketing dollars as well, which of course are limited. But we've seen significant success with our angling advertising that we've done — we talked about that last year I think — which is targeted specific. We've been doing some advertising into a couple of European destinations as well, which I think we primarily focus on the United Kingdom and Germany overseas.

But you know we do this in partnership. We do this based on data. We do this based on research. We are very targeted about how we do that. And I would say that that's one of the real hallmarks as to how we make determinations as to where we put our marketing resources into. It is very, very much scientifically based on extensive research that we have done as to where those dollars are most effectively targeted.

**Mr. McCall:** — And again I, you know, I share this with the minister in terms of the interest in big data and analytics and all of those good things. Again though, how do you determine that you've hit the mark? And I appreciate that resources are finite, and it's always sort of infinite demand on those resources. But how do you determine what is an adequate sort of allocation of those resources?

**Hon. Mr. Harrison:** — Well I would just say by way of . . . I mean we do as best a job as we can in terms of tracking results, and that's how we either reassess or continue or even reallocate further. But, Mary, you can speak to this because this is what you do every day.

**Ms. Taylor-Ash:** — It's very exciting times, I think, right now, to be in the tourism business. It's a highly competitive business to be in, and as a province we are trying to get noticed in all of that. One of the really interesting things, a couple of things, that we're doing right now is we've just completed what's called a content strategy. And that piece is a foundational piece for us to look at what we are producing in terms of marketing materials, how we are communicating with the potential visitor. And that strategy will . . . and we're just working on the implementation plan now, but it's a digital-first strategy. We know that.

And so when you think about traditionally how destinations have marketed to potential visitors, a lot of money has been spent in terms of print material. There's been, you know, sort of a set formula: television, advertising, that kind of thing. It doesn't mean that we won't do that, but we're really looking at how to transform into really being very digitally savvy.

The other thing which sort of sounds odd, but often when you're marketing, whether it's tourism or any other product, you haven't always put your customer at the centre of it. And that's one thing we are really working on now. What is it that the customer wants and needs? What information? How do we present it that would make it compelling for a customer to decide to travel to Saskatchewan or around Saskatchewan? So we're doing a ton of work in that area, and really you're going to see a lot of repositioning.

Now what that does is . . . Also with digital, a good strong digital strategy is very efficient because if you can get other people to tell your story or you're telling compelling stories online, it's a better bang for your buck. And so we've got . . . you know, some of that is very exciting, and we're going to be, I think, moving in a new direction going forward.

The other thing that we're working on is really understanding our customers. So we've been doing a lot more work in the area of profiles on the customer. What does that customer look like? What do they believe in? What are they, you know, sort of that values of that customer. And so we've done a ton of work now to really identify who that customer is and then being able to say how you can get to that customer because we're really targeting a lot more. As the minister pointed out we're being very focused and targeted in our efforts. And that really helps when your budget is not a huge budget. You need to be efficient, and you need to be very focused and targeted in your approach.

**Mr. McCall:** — I'd certainly agree with that. Well to use one, two examples would be good. To revisit the angling for anglers in Harrisburg, what sort of metrics did you attach to that effort? And meets, succeeds, exceed? How did that work out?

**Hon. Mr. Harrison:** — What I'll maybe do is I'll ask Jonathan Potts to come up, and he can speak to the details. But yes, you have a great memory for that because we did talk about that last year and it's been . . .

**Mr. McCall:** — What's not to remember about Harrisburg?

**Hon. Mr. Harrison:** — That's right.

**Mr. Potts:** — Thank you for the opportunity to speak. Last year was the first year we went to Harrisburg, Pennsylvania. It's in a highly populated part of the US [United States] as you'd appreciate, serves a huge area: Philadelphia into New York state, Maryland, etc.

I'll just start by saying the reason we went there. It seems maybe an odd choice, but the reason we went there is Saskatchewan is very well known in that region for white-tailed deer hunting. And we know from our research and secondary research as well that 90 to 95 per cent of hunters also fish. So the people that are looking for big game hunting opportunities in Canada are familiar with Saskatchewan, and they also like to fish. So we're hoping that by going there, we'll attract more of them to come here.

[15:45]

With that said, our target, to answer your question, was 400

licence sales in that, coming out of that show. Unfortunately we haven't been able to get the data yet on the licence sales from 2016. I can tell you that, you know, we were back there this year. Our online activities have been . . . We've seen tremendous bumps in visitation on our website coming out of that area. We're just seeing great activity.

Seven outfitters from Saskatchewan went there with us. They saw the potential as well, which is showing that obviously they're putting their money there too, and they see the return.

So I wish I would be able to give you a very concrete answer, but at this stage we're waiting on those numbers from the licensing system.

**Mr. McCall:** — We'll wait for you to reel that one in to see how that goes.

In terms of the impact of fishing licences experiencing an increase in cost, same with hunting, how is that incorporated into the planning?

**Hon. Mr. Harrison:** — Sure. Yes, I'm happy to answer that one. And you know what? I think, you know, the member knows I'm very much into both hunting and fishing. You know, we have a genuinely world-class resource here. We have . . . The best whitetail deer hunting on the planet is here. I would say in northwest Saskatchewan, specifically. Some might disagree. But we have a world-class resource that is known internationally, known very well.

And Jonathan talks about the specific area of Harrisburg, and that's absolutely the case. In the northeastern United States where you have very highly, densely populated areas, but still a large, almost surprisingly large number of individuals who engage in whitetail hunting and angling.

But in a context of a much more highly populated area, meaning there's a whole bunch of more pressure on the resource, you also end up with situations where, I mean, the quality just isn't the same. And you're just not going to find, you know, a world-class whitetail buck in that area. I mean you're just not.

So what I kind of say all this to get the point out, which is that people are willing to pay. I think we've undervalued our resource, I really do, that people are willing to put forward additional, especially from outside of Canada, but even within the province. I haven't heard any complaining. I haven't heard any concerns raised to me in Meadow about an increase in cost of licences because our hunters and anglers know that we have the best resource in the world, and they're willing to pay a little bit extra for it.

**Mr. McCall:** — Thanks for that. In terms of folks coming from Harrisburg or indeed from the market outside of Saskatchewan — be it Western Canada, Canada, North America, the world — how many of those folks would be coming by air and coming through Regina Airport Authority?

**Hon. Mr. Harrison:** — Yes. Well I mean . . .

**Mr. McCall:** — For example.

**Hon. Mr. Harrison:** — No, and it's a good question. I know where you're with it. It's a good observation to make, and it's a challenge that we've had. And I think we probably talked about it either, you know, in estimates or even off-line, I think, just you and I chatting.

It's a challenge in that we've had, obviously, some of the US carriers pull out of the province, and it wasn't for reasons of not making money or having full flights. It was for reasons of internal company dynamics where they could just make more money putting that plane on a route that was somewhere else. It wasn't because they were losing money or anything like that into the province. But it has had an impact as far as, you know, the number of direct flights into the province, particularly going through Colorado. I mean that was one of the big ones out of Denver.

So you know, we continue to work with the airport authorities closely. We are working with municipal governments closely. There have been . . . This has been a priority of, you know, I would say, the mayors of both the major cities. I haven't talked to Mayor Clark about it specifically since he took office, but Mayor Atchison was very engaged personally and Mayor Fougere has been very engaged personally as well.

You know we do have . . . There are challenges in terms of attracting US airlines and it is because of their own internal dynamics primarily. It's not that they can't make money on Canadian routes into Saskatoon or Regina, but they have their own internal challenges and it is what it is. But you know one thing I would say is, I mean, we're not going to directly . . . I'm not going to write Delta a cheque to say, you know, fly into Saskatoon. We're just not going to do that. We'll work with them in ways that we can, you know, be helpful, and the cities have had kind of the same approach to that as well.

You know, I'm confident that we're going to . . . we are going to see air service that is more convenient into US destinations, but as far as, you know, a specific time frame, I'm not going to speculate on that. But I mean it makes sense. It's profitable for companies to do it and it's going to occur, and we're willing to work with providers or airlines or new start-ups, whatever it might be, to facilitate that.

**Mr. McCall:** — We'll keep on watching. The Chair's eagle eye is cast upon the clock and realized that my time for this segment of estimates is up, but with that I'd just thank the minister and officials again for the tremendous showcasing of this beautiful province of ours, not just to people around Canada or the world, but indeed to people in Saskatchewan.

And on that note, I'd say, you know, it's too bad I . . . I'll have to take this off-line as well, but to see how the ad campaign went around Churchill River and, you know, it's sort of dangerous to even watch it, but I'm sure a number of those clicks on that particular ad or views were, you know, me. Anyway we'll take that up at another time, I guess, but . . . And just to say thank you very much to the good folks at Tourism Saskatchewan.

**The Chair:** — The closing remarks, Minister?

**Hon. Mr. Harrison:** — This is very brief. I just wanted to

thank you, Mr. McCall, for the very good questions, very good discussion, and thank our officials. And Veronica, good luck at Environment. Thank you very much.

**The Chair:** — That adjourns consideration of the estimates for today for Tourism Saskatchewan. We will have a quick recess as committee continues on.

[The committee recessed for a period of time.]

**The Chair:** — The committee is back in session. We have two substitutions. Carla Beck is sitting in for Doyle Vermette, and David Buckingham is sitting in for Eric Olauson are the substitutions.

**Bill No. 48 — *The Education Property Tax Act***

**Clause 1**

**The Chair:** — We will continue this afternoon with Bill No. 48, *The Education Property Tax Act*. We will now begin consideration of clause 1, short title. Minister Harpauer is here with her officials. I will ask the Minister to please introduce your officials and make any opening comments that you may have.

**Hon. Ms. Harpauer:** — Thank you, Mr. Chair. And with me I have, to my right, Tammy Kirkland, the deputy minister. I have John Edwards, the executive director policy and program services. Behind me, I have Allan Laird, the senior policy analyst; Monica Chu, the senior property tax and assessment policy analyst; and Brian Warbey, the audit manager, revenue division of Finance.

The purpose of this bill is to allow for the redirection of education property tax, or the EPT, collected by municipalities from the school divisions to the General Revenue Fund. This responds to requests from school divisions to be out of the property tax business and will achieve some efficiencies for them, for municipalities, and for government.

The proposed new legislation, along with the consequential amendments to a number of other Acts, will address key matters related to the levying, collection, and remittance of EPT to the GRF [General Revenue Fund] so that an orderly and smooth transition takes place for municipalities, school divisions, and government. Taxpayers will not see any changes to how they pay their EPT.

[16:00]

These matters include maintaining municipal collection and remittance of EPT, adding government to the definition of other taxing authority in the legislation to allow government to collect the EPT; and approval for EPT exemptions, abatements above a prescribed threshold to ensure the current penalty and tax enforcement provisions continue to apply to EPT; and outstanding EPT arrears are payable to government and the GRF; maintaining the right of separate school divisions to opt out and establish their own mill rate; and by making consequential amendments to other legislation including *The Revenue and Finance Services Act* to allow the Ministry of Finance to receive payment and enforce the collection of EPT

from municipalities.

Municipal and education stakeholders were consulted over the summer of 2016 and are supportive of the bill. With that, Mr. Chair, I'll entertain any questions.

**The Chair:** — Questions? Ms. Beck.

**Ms. Beck:** — Thank you, Mr. Chair. And thank you, Minister, and welcome to your officials. We haven't sat down together before, this being an amendment, but being an amendment to the education property tax . . . or not an amendment rather, a new Act. And normally I sit down with education officials, so this is going to be a bit of a time to get to know each other and to get to know this new piece of legislation.

I guess the first question that I would have here, beyond the welcome, is the decision was made to create this new piece of legislation. So this replaces a number of clauses in other pieces of legislation. Can you speak to why that decision was made to have a whole new bill here?

**Hon. Ms. Harpauer:** — The decision was made by request because of the changes to how education is funded through the formula and the General Revenue Fund. There was interest by the school divisions to not have the problem of having the tax money flow to them, and it didn't make any difference to their funding because it is now funded through a funding formula.

**Ms. Beck:** — So they requested a new bill? The SSBA [Saskatchewan School Boards Association]?

**Hon. Ms. Harpauer:** — My understanding is yes.

**Ms. Beck:** — Or how was that expressed? Through which body?

**Hon. Ms. Harpauer:** — The officials that were there before me said the SSBA had expressed interest in this — no one person specifically.

**Ms. Beck:** — So this came through the SSBA, and it was a request to change existing legislation or they requested a new bill. I'm just looking for a point of clarification there.

**Hon. Ms. Harpauer:** — I'm not sure if they were specific as to how it should be done.

**Ms. Beck:** — So were there other parties that were requesting this change to how education property tax is collected?

**Hon. Ms. Harpauer:** — So the request was driven by the SSBA, but the municipalities were supportive of that request.

**Ms. Beck:** — So the changes to funding for education that you spoke of earlier, that was the decision in 2009 to remove boards' ability to set their own mill rates. Is that correct?

**Hon. Ms. Harpauer:** — It's confirmed. It was 2009.

**Ms. Beck:** — So at that point of course, boards no longer had the ability to set their own mill rate. So subsequent to that, they came with a proposal to have education property tax collected

directly by the municipality and have that remitted. Is that what I'm hearing?

**Hon. Ms. Harpauer:** — So it's always been collected by the municipalities. The boards of education . . .

**Ms. Beck:** — Remitted directly is the point that I was making.

**Hon. Ms. Harpauer:** — Right. Never collected. So the boards of education prior to that used to set their own mill rates. And the municipalities have historically always collected the taxes and then remitted the money directly to the school divisions. And in 2009 then there was a change that education was funded on a provincially decided formula and then adjustments done depending on the amount of taxes that particular school division collected. So there was a lot of extra administration needed to do the calculations and subtractions of the amount of revenues generated within that particular school division because the mill rates were set provincially as well. And so that's where this request stemmed from.

**Ms. Beck:** — So they asked for municipalities to continue collecting and then just remit directly to the GRF?

**Hon. Ms. Harpauer:** — I don't know whether they specifically cared who collected it but it is what we find the most efficient system, and it doesn't change that system from what it has been historically. To my knowledge, the school divisions didn't ask for a different collector or express interest either way.

**Ms. Beck:** — Or changes to existing legislation or a brand new bill. That part was not initiated by the SSBA.

**Hon. Ms. Harpauer:** — So John is going to answer that question.

**Mr. Edwards:** — So in 2009 there were changes that basically put the government in the position of setting the mill rates on a province-wide basis in order to resolve some equity issues. There was some discussion following that within the school sector as to, with that change, whether it was appropriate to continue their role in taking the money from the municipalities and having to go through all the administrative steps to keep track.

In 2014 at the annual SSBA [Saskatchewan School Boards Association] meeting, they passed a resolution with 94.7 per cent support. I'm not sure where the point seven per cent comes from, but:

BE IT RESOLVED that the Saskatchewan School Boards Association work with the Ministry and other partners to review the processes of tax remittance and tax reporting with the intent of reducing duplication and simplifying the processes to make them more effective and efficient and; that a report of the findings be developed and implemented.

So there were discussions then between the SSBA and the Ministry of Education, and our ministry was drawn in to develop proposals for the new bill because it was intended that it be . . . It's more convenient to have all the provisions in one place as opposed to scattered amongst provisions in separate

bills. As a result of the new bill, a number of consequential amendments will also have to be made to the existing municipal Acts because that's where a number of the tax provisions are all set out.

**Ms. Beck:** — That clarifies nicely. Thank you.

So this flows through . . . flows from, rather, the 2014 SSBA resolution that was passed, as you noted, by a fairly high margin. When was your ministry engaged to start looking at this legislation?

**Mr. Edwards:** — In 2015 I think, and we did most of the work and consultations with the municipal and school sectors over the summer of 2016.

**Ms. Beck:** — So there were a number of groups in addition to the SSBA that were consulted with, with regard to this new piece of legislation?

**Hon. Ms. Harpauer:** — There would of course be SARM [Saskatchewan Association of Rural Municipalities] and SUMA [Saskatchewan Urban Municipalities Association]. I believe they also consulted with the . . . And so as I said, there was SARM, which is the Saskatchewan Association of Rural Municipalities; SUMA, the Saskatchewan Urban Municipalities Association; New North; Urban Municipal Administrators Association of Saskatchewan; Rural Municipal Administrators' Association; the Provincial Association of Resort Communities, and the cities of Regina and Saskatoon. And within the education sector, we consulted with the Saskatchewan School Boards Association, the Saskatchewan Association of School Business Officials, and the Saskatchewan Catholic School Boards Association.

**Ms. Beck:** — Thank you. And were there any concerns expressed by any of those groups about this new arrangement of the municipalities continuing to collect the education property tax and then remitting that directly to the province?

**Hon. Ms. Harpauer:** — No.

**Ms. Beck:** — When these changes were forecast to a certain degree last summer, there were some concerns expressed then by the SSBA, if I recall correctly.

**Hon. Ms. Harpauer:** — So both the SSBA and SASBO [Saskatchewan Association of School Business Officials] recommended a separate account to be established strictly for the EPT dollars in order to ensure transparency, was the concern that they raised.

It was believed that since the dollars spent on education that flows through to the different school divisions far exceeds what's collected, that that would not be necessary.

**Ms. Beck:** — They did express concerns, as you noted. I'm just going to . . . First of all there was an acknowledgment that this was something that did flow through that resolution from the SSBA. So certainly there was an acknowledgment there and a thanking for this measure in part.

But there were some concerns expressed: ". . . the grouping of

taxes in general revenue ‘leads to the lack of transparency and traceability of taxpayers’ funds’ that are prioritized for education.” Were there any changes or provisions to account for those concerns in this piece of legislation?

**Hon. Ms. Harpauer:** — So there will be a line in the financial statements to record the EPT collected. That will be in . . . That’s in our documents, our financial statements, so that it’ll show transparently there. And then of course there’s a line of what flows through to school divisions.

**Ms. Beck:** — So there will be a line in which financial documents? Sorry, I’m just wondering where, given that this has been . . .

**Hon. Ms. Harpauer:** — Financial statements from Finance, like the provincial financial statements.

**Ms. Beck:** — Like public accounts? Or where will they be able to . . .

**Hon. Ms. Harpauer:** — It should be in the budget documents, our quarter statements, I’m assuming. I would have to turn to Finance to find that specific page, specific line.

So revenues from EPT are currently recorded as a line item in schedule 13 on page 78 of the summary financial statements for 2015-16. And the education operating grants for 2015-16 are recorded as a line item in the Ministry of Education’s Public Accounts on page 64. Similarly the budget documents for both of these can be found in the provincial budget documents and the ministry estimates.

[16:15]

**Ms. Beck:** — Thank you. Thank you for that. I’m not sure if that allays the concerns of those who have expressed them. One of the things that I wanted to go back to: it was noted that the reason for the change back in 2009, for the decision to set the mill rate for education property tax centrally, were concerns about equity. Could you explain what some of those concerns were?

**Hon. Ms. Harpauer:** — Somewhat, but I’m going back in memory a little bit and I can’t speak for the Education minister. But just from memory there was, depending on the base, the tax base within the boundaries of any given school division, that varied from one school division to another. And so the previous government recognized that and addressed it somewhat but still left inequity. So what they had done was they had changed the boundaries and lessened the number of school divisions, which was the initial step that helped with that inequity. But the inequity still existed. If you were in a . . . If the school division within the boundaries had a fairly high assessment, then you had the ability of course to generate more revenues than a school division that maybe had a very low assessment.

**Ms. Beck:** — And this now, it’s your assertion that is more equitable, that . . .

**Hon. Ms. Harpauer:** — Through the funding formula. So if you’re in a school division that had a high assessment prior, and so the school division of course would set the mill rate and they

had the ability to generate more dollars. Even with the lower mill rate, they could generate more dollars.

And so therefore they were able to spend more per school or per student than a school division that maybe didn’t have industry or didn’t have high-assessed properties and whatnot. So the school divisions that had the lower assessment of course would have to set maybe an unacceptably high mill rate to ever generate that kind of money. And of course that causes all sorts of hardship for those that live within that school division to meet that tax bill.

So when that system was collapsed and it went to a provincial system where the mill rates were set and a formula was designed, that created more equity per student and per geographic . . . There’s a number of factors, as you well know, within the funding formula that takes into account the geographic spread within the school division. If you go to the rural or in particular the northern communities, you have to take geography into account.

The expenses needed for transportation varies from one school division to another. There may be higher percentage of special needs children in one to another. So all of those factors are considered within the funding formula when it is determined what each school division receives in funding.

**Ms. Beck:** — And is there any difficulty once these changes are implemented with assessing the level of equity within funding? Does this cause any impediment towards assessing inequity in funding?

**Hon. Ms. Harpauer:** — It eliminates it because . . . [inaudible] . . . all goes into one pool then, and the pool is decided by the factors that I had just mentioned.

**Ms. Beck:** — Some of this is a learning opportunity for me as well. So much has been made of the 60/40 split within Education. The target had been 60 per cent funding from provincial, from the GRF, and then 40 per cent funding from local property taxes. And there’s a note in the budget that that number from local property taxes had fallen to 35 per cent. Can you explain the measures here that would enable the government to ensure that 60/40 split and how that number has been brought back up to 40 per cent.

**Hon. Ms. Harpauer:** — So the 60/40 split has a lot of history to it too, and I actually don’t even know where it began. Many years ago, there was a tax revolt in the province because it had slipped. It had been reversed. And so 60 per cent of Education funding at that time was being funded by property taxes, and 40 per cent was being provided by the provincial government. So it was a commitment of our government to bring it back to the 60/40, which we did accomplish.

But then we, in essence, froze the revenues collected from property tax, projected about two years ago now that we were not going to indefinitely freeze it, that eventually there had to be some increases to the property tax. So that is determined then each year through the budget process. The provincial government sets the mill rates. And then the mill rates, multiplied by the assessment for the property, is what gives the revenues coming to the government.

So because we no longer froze the revenues coming into government this year, we set the mill rates in such a way that we would bring that balance closer to the 60 per cent government-provided funding but 40 percent coming from property tax for the amount of money that we're spending on Education. It had, because of being frozen — and yet we kept increasing spending in Education — it had gone to the 35/65.

**Ms. Beck:** — Overall, that was the split. But division by division, they would have had a different breakdown. Is that correct?

**Hon. Ms. Harpauer:** — It would be, yes, because now we have an equal . . . It's the same mill rate across the entire province for EPT. So that goes back to if you live in an area that has a very high assessment and that mill rate's applied to that area, that area is going to be paying higher dollars than an area that has a very low assessment.

**Ms. Beck:** — And this is something that I haven't been able to gain a lot of clarity on. So overall I understand the overall goal is a 60/40 split, money from GRF, money from local property taxes. But even now with that set provincial rate, it varies by jurisdiction. I know what Saskatoon Public pays, for example, in terms of the portion of operating costs paid through education property tax to provincial funding, varies from — say — South East or Northern Lights for example. So that's sort of what I was getting at in terms of the ability to understand on a division-by-division level how much is being funded by local property tax and how much is being funded by the provincial government.

**Hon. Ms. Harpauer:** — So that whole concept's been eliminated because the province now is saying the province and all the property bears some of that education. So we no longer have the rich cousin and the poor cousin. Because of the concept in the past, as I said, what was happening is if the division happened to be located in an area that had a high assessment, then they had the ability to generate more money than a division where there wasn't a high assessment. So they would then not be able to generate money for their schools and their system as easily as a system that was in a higher assessed area. So by making this change, it made it more equitable across the entire province.

**Ms. Beck:** — By this change, you mean this piece of legislation here?

**Hon. Ms. Harpauer:** — No, this piece of legislation just changes the flow of the money. It doesn't set the mill rate, and it doesn't change the fact that the mill rate is set provincially and the formula for education is also provincially allocated.

**Ms. Beck:** — Okay, so what you're saying . . . That was the 2009 change that . . .

**Hon. Ms. Harpauer:** — The 2009 change is what changed it to school divisions no longer setting their mill rate.

So I'll give you an example. Prior to 2009, where my daughters went to school, not one dime from the province went to pay for their education. It was entirely funded from property tax. It was what they called a zero grant school division. And the reason

why is because I lived in a fairly high assessment, quite lucrative agriculture area, and there was a potash mine. So in that case, zero provincial dollars went to educate my children and 100 per cent . . . It was a zero grant.

Now the property tax generated from that particular area — and I'm no longer farming there — but the property tax generated from that area, some of it goes to educate children, into the education cost in an area where they aren't so fortunate to have that kind of tax base.

**Ms. Beck:** — Okay. So what you're saying then now is that division by division, the percentage of the funding for education within that division is split at the same . . .

**Hon. Ms. Harpauer:** — It's not calculated that way. It's irrelevant because it's provincially shared.

**Ms. Beck:** — Okay. But it is still reported that way in the annual reports.

**Hon. Ms. Harpauer:** — I'm not sure how else to explain it other than the number of ways that I've explained it. It all goes into one pool.

**Ms. Beck:** — No, I understand that. I guess what's causing some confusion for me is the fact that in the annual report that each school division is mandated to submit to the Ministry of Education there is a chart in terms of revenue. And one of the items on that revenue chart . . . Of course there are only two main items for school divisions. One is education property tax, and the other is grants from the province. So at that point, every ratepayer in that division can tell what proportion of their education within that jurisdiction is paid for by education property tax, and what portion is paid for by the provincial grant. How does that change after this legislation is passed?

**Hon. Ms. Harpauer:** — I don't know. The Education minister will know whether or not that'll be a requirement in their reports. I don't know if it's actually a requirement or if they just do it, but he would have to answer that question.

**Ms. Beck:** — And I think that gets to the heart of some of the concern expressed by the SSBA last summer, was that piece of transparency will be gone. As you just noted, you knew how much that this is an issue for people. I know when we were out in Fox Valley, this was an issue for people, how much was being collected at the local level. This is an issue for people in Carnduff. This is an issue for people across the province, so I think that is one of the concerns.

I think the other thing that is layered over this in terms of a concern, and I believe that I did start to ask these questions in committee with the minister. Of course he referred me to this committee. I'm not sure if we'll be able to answer it here, but one of the concerns in the sector is the fact that \$67 million in additional property tax is going into the system this year. And an additional \$54 million is coming out of operational funding this year. So that's a difficulty.

This is why boards are concerned, why parents, why ratepayers are concerned about the transparency in terms of how much is collected in terms of education property tax. I think I'm reading

it right, down to the divisional level, how much is being collected from each division and then how much is going to the GRF and how much is coming back out. I'm presenting those concerns here because those are concerns that I've heard around the province.

[16:30]

**Hon. Ms. Harpauer:** — In essence, more is going out than what's coming in, and obviously this is a difficult budget. And I can't speak to the Minister of Education's budget, but as I explained before, there has been reassessment, is done every four years. And so it is been eight years of basically holding the revenues generated through EPT by resetting the mill rates as assessment changes. We've kept that revenue-neutral.

We projected a few years ago that that wouldn't be forever. Like we wouldn't keep revenue-neutral forever. So this is the year that we did not, and we did adjust the mill rates accordingly. It will generate 67 million more dollars. We still spend more provincially on education than the amount that's collected in property tax.

**Ms. Beck:** — Right. But that's been a goal is the 60/40 split, right?

**Hon. Ms. Harpauer:** — We use the 60/40 split to measure and explain that we haven't, you know, we're not reversing back to what was under the previous administration where it was only 40 per cent provided by the province. That's sort of that historical benchmark.

**Ms. Beck:** — I guess, I mean, and I don't want to diminish the concerns around the cut because that certainly is significant, but I understand that that is not the issue here. The issue here that I want to highlight is the transparency, is the amount collected, how it's collected from each school division, how it's being realized going into the GRF, what assurances can be provided to both the boards and the ratepayers in those divisions in terms of how much is being collected there, how much is going in, and how it's coming back out.

And this, as you noted, you know this has been a longstanding — across a number of governments — issue of concern in the province in terms of how education property tax is collected, the equity around it. And what is being called for here is transparency, and I'm not hearing the measures that have been taken to ensure that transparency.

**Hon. Ms. Harpauer:** — What's required per school division for reporting, I can't speak to that because that would be what's required from Education. The total amount of course we explained where those numbers can be found. It always was, it will always be, more money will be collected in areas of high assessment. There is no way around that.

So as I said, I lived in one of those areas of high assessment when you talk about rural Saskatchewan. If you go to another area where it's largely pasture land, the revenues generated there will be less, and that has always been. So if I wanted to sit in my area where I raised my girls and say, this is really unfair, I'm basically . . . the farm land and the mine are totally paying for my children's education. The province is contributing zero,

which was the case. Other areas that would say that you no longer think that their education should be brought to that level, like they don't have the ability to generate that kind of money. So without having mill rates so high that you would force industry or people out of the area because they couldn't afford to live there, so it is, it will always be where you could look at your . . . two people could look at their tax bill and they would have a different percentage, if they want to factor it that way, that goes to their school division.

**Ms. Beck:** — It certainly has been an issue that has been raised in this province before and . . .

**Hon. Ms. Harpauer:** — For decades. Decades and decades and decades.

**Ms. Beck:** — So you're stating that there is some inevitability to that.

**Hon. Ms. Harpauer:** — Yes. I mean, by having a provincially set mill rate, does give some equity to have a provincial formula for funding so that you ensure that the factors that are important for the school divisions and what is actually the cost drivers within a school division are divided equitably, addresses it. But if you're going to just look at your specific tax bill, it is going to be a different proportion of your specific tax bill that's going to be the education than someone who lives 150 miles away.

**Ms. Beck:** — So what is . . . Okay. Do you have numbers for how much is collected from each school division with regard to education property tax?

**Hon. Ms. Harpauer:** — The Ministry of Education has all those school division numbers.

**Ms. Beck:** — Okay. So I'm going to attempt to understand this a little better. So currently, how . . . Just a quick breakdown of . . . When education property tax is collected now currently, under the current system before this legislation passes, were it to, the municipality collects the local portion, education property tax portion, and remits that to the local school division. And then that flows into the Ministry of Education or they retain it there, and then they account for it there. Right. Right. So they account for it there, and so they know how much is coming in.

What does it look like after this legislation were to pass? How does that flow?

**Hon. Ms. Harpauer:** — Okay. So previous, let's say a school division was entitled . . . Through the formula, it was decided that school division would receive \$2,000 in funding for the entire operations of the school division. That's using all the factors that we talked about previously. Let's say, through property tax, that school division collected \$1,000. So that would flow from the municipality because they collected it. They would have their thousand dollars and the province, from the GRF, would give them an additional \$1,000.

With this new Act, the thousand dollars collected by the municipality will flow to the province, and the province will flow the entire \$2,000 to the school division.

**Ms. Beck:** — So as you've noted, within some jurisdictions, there will be higher . . . the value of land will be higher assessed, so there will be a higher portion that will be paid for by those local property taxes. But will the school division know how much has been collected within their boundaries?

**Hon. Ms. Harpauer:** — I'm being told they will not. They will not know the dollars within their boundaries.

**Ms. Beck:** — And that is what they had expressed is a concern. Am I correct?

**Hon. Ms. Harpauer:** — Can you explain to me how that changes their funding?

**Ms. Beck:** — No, what they were asking about was the transparency in terms of . . . So will they know what the overall amount . . . They will know. I think we've answered that. They will know the overall amount that is collected with regard to education property tax on a province-wide basis, but they will not know within each jurisdiction as they currently do. Is that . . .

**Hon. Ms. Harpauer:** — They will through the financial statements of the municipalities within which they are entitled to the funding because I would think they'll be in their financial statements.

I have to correct myself. I just said the education property tax doesn't show up in municipal financial statements.

**Ms. Beck:** — So I think that is the concern that they have expressed in terms of the transparency, but there will be reports from municipalities. I'm looking at page 8 of this new Act, this bill, section 15, "Reports from municipalities." And it notes that:

On or before the 10th day of each month, every municipality shall provide a monthly education property tax return to the Government of Saskatchewan in the manner and containing the information directed by the minister.

And another couple of sections along those lines. I'm just wondering if those will be made public, those reports.

**Hon. Ms. Harpauer:** — This is no different than what they do now.

**Ms. Beck:** — Are they made public? I'm sorry, I didn't . . .

**Hon. Ms. Harpauer:** — No.

**Ms. Beck:** — No, but now the . . . Well, maybe not at this point but at some point during the school year, the school boards do know how much is being collected.

**Hon. Ms. Harpauer:** — The Ministry of Education will know at the end of the year. And so this is a discussion. If they still want to know exactly what their boundaries collect, they should have that discussion with the Ministry of Education because they will have that information.

**Ms. Beck:** — That will be at the minister's discretion?

**Hon. Ms. Harpauer:** — Because it's now a pooled, shared system, it goes . . . They'll have that discussion with him.

**Ms. Beck:** — Has it not been since 2009, though, a pooled, shared system?

**Hon. Ms. Harpauer:** — Yes, except the money flowed directly to the school divisions, and now it won't, by their request.

**Ms. Beck:** — So they were able to account for it. And I think why I'm . . . The reason I'm sticking on this is because this is the point that has been raised as a concern is that what lacks here is the system is the same. It still . . . The money flows through the ministry, accounting for how much is collected at a local level, and now that level of transparency won't be there in terms of how much is collected. And I think that's been the concern that's been raised.

**Hon. Ms. Harpauer:** — I understand. And you've expressed it that this does not address that. Like we don't report to the school divisions. We never did. So if you . . .

**Ms. Beck:** — No, but when they were collecting it, they knew how much was coming in from local education property tax.

**Hon. Ms. Harpauer:** — Yes, they did.

[16:45]

**Ms. Beck:** — Okay. I'm just going to confer for one second. I don't think I have a whole lot in addition, but I do have some questions. Of course, section 7 refers to the separate school division bylaw. So there is some different accounting options. The separate system may choose to be part of the same system as the public system — I'm paraphrasing here — but they have the option to set their own mill rates, constitutionally.

One of the things that was noted I think in your second reading comments, or perhaps it is in the preamble to the bill . . . I read it recently here, that some . . . No, it was in the press release. Some separate school divisions choose to, or most do I believe choose to . . . I'm going from the news release from the budget regarding this bill.

**Hon. Ms. Harpauer:** — They all do.

**Ms. Beck:** — Oh, they all do?

**Hon. Ms. Harpauer:** — They all do . . . [inaudible].

**Ms. Beck:** — The word "most" was used.

**Hon. Ms. Harpauer:** — Right.

**Ms. Beck:** — I'm sorry. That was a bit distracting.

**Hon. Ms. Harpauer:** — Yes. We don't have any separate school divisions setting a different mill rate than what we have set provincially. To date, I mean they have the legal ability to do so; however, it wouldn't be to their advantage because they too are part of the formula. So that it would be, thanks for the

money, I guess, if you set a higher mill rate, but it wouldn't change their funding.

**Ms. Beck:** — Will there be . . . Now at the municipal level, ratepayers . . . There's a tick-off box in terms of where their education property tax is assessed, to which system — the public system or the separate system. Of course we've just had a fairly . . . well a very significant — I won't underplay it — ruling in this province. Have there been any . . . Do you anticipate any need to change procedures or have there been any impacts, I guess, by that ruling to this piece of legislation?

**Hon. Ms. Harpauer:** — To this piece of legislation, no. And we haven't, as a government or government members, had discussion on the tick boxes yet. It's more of a bigger picture of the challenges that this will bring.

I'll give you an example. In my home community of Humboldt, I have two separate elementary schools, one public elementary school. And I'm assuming, I don't know this to be a fact, but should there be non-Catholic students in the Catholic schools, I don't think the public school could handle the increase in students. So I mean there's those logistics. So that's kind of the level of discussions we've had, that this is a very serious ruling. We haven't gone down to what happens to the tick boxes.

**Ms. Beck:** — Yes, I guess the implications here would be around . . . Right now there's an indication of where education property taxes should be directed. And I'm just wondering if that ruling narrows how those education property taxes are directed, if there's any change in that direction.

**Hon. Ms. Harpauer:** — None whatsoever because it still will go . . . By directing it all to the General Revenue Fund, no matter where . . . or, you know, where the property is collected, it goes within the formula, which is based on students and physical space, etc. So the changes of the ruling, the court ruling, doesn't change the property taxes going to fund education.

**Ms. Beck:** — No, but there still is retained in this legislation . . . Somewhere it's being recorded how much is being directed to the separate system and how much is being directed to the public system.

**Hon. Ms. Harpauer:** — No. No, it doesn't change where it's . . .

**Ms. Beck:** — It's not recorded?

**Hon. Ms. Harpauer:** — Because it's not directed. Revenues collected from properties that say they're funding the Catholic or the separate and the public, all aren't directed specific to that with the new funding formula.

**Ms. Beck:** — No. I guess my question is less around the question of where it's directed to in terms of the accounting. And that's sort of been the transparency piece all the way through, that as I noted at the onset, there is support for this within the SSBA and in other sectors. But the concern is the transparency in terms of where those education property dollars are being collected and how they're being directed into the GRF and how they're being accounted for. That's the area of

concern. That's why I keep going back to it.

**Hon. Ms. Harpauer:** — Right. There isn't two separate pools. There is not a pool that's collected that goes to separate school divisions, and a pool that's collected that goes to public school divisions any longer.

**Ms. Beck:** — And so that then, therefore there is no accounting for how much is being collected from those ratepayers of minority faith who are directing their tax dollars to that system versus the public system.

**Hon. Ms. Harpauer:** — It's an irrelevant number with a shared pool.

**Ms. Beck:** — So that will maybe have impact on those tick boxes that we see on people's assessments.

**Hon. Ms. Harpauer:** — We have never had that discussion.

**Ms. Beck:** — I want to say, first of all, thank you to all of you for being here and indicate to the Chair that I believe I will conclude my remarks and my questions.

**The Chair:** — Thank you. Thank you for the questions. We will now vote on the bill. We'll start with clause 1, short title. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 31 inclusive agreed to.]

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Education Property Tax Act*. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I would ask a member to move to report Bill No. 48, *The Education Property Tax Act* without amendment. Mr. Steele has so moved. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I will thank the minister. We still have one more bill. Did you want to make any final comments on this one, or wait until after Bill 49? . . . [inaudible interjection] . . . Okay, you can make some comments on Bill 48 if you'd like.

**Hon. Ms. Harpauer:** — 49, oh.

**The Chair:** — You still have another bill yet.

**Hon. Ms. Harpauer:** — No, I have no comments on 48, sorry.

**The Chair:** — Okay, you'll wait until the end.

**Bill No. 49 — *The Education Property Tax Consequential Amendment Act, 2017/Loi de 2017 portant modifications corrélatives à la loi intitulée The Education Property Tax Act***

**Clause 1**

**The Chair:** — The next one up is Bill No. 49. We will start with short . . . We will now begin consideration of Bill No. 49, *The Education Property Tax Consequential Amendment Act, 2017*. This is a bilingual bill. We will now begin consideration of clause 1, short title. Minister Harpauer is here with officials. I don't think you have a change in officials, so I'll ask you if you have any opening comments.

**Hon. Ms. Harpauer:** — Thank you, Mr. Chair. *The Education Property Tax Consequential Amendment Act, 2017*. So this Act makes an amendment to one bilingual Act, *The Education Act, 1995*. As a result of this being a bilingual Act, consequential amendments to this Act require a separate bill. This bill is straightforward and simply repeals existing sections in *The Education Act, 1995* related to school taxes as these will now be contained in *The Education Property Tax Act*.

**The Chair:** — Ms. Beck.

**Ms. Beck:** — I don't think I have any further questions on this, thank you.

**The Chair:** — Seeing no further questions before the committee, we will start the vote. Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 12 inclusive agreed to.]

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Education Property Tax Act*. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I would ask a member to move to report Bill No. 49, *The Education Property Tax Consequential Amendment Act, 2017*, a bilingual bill without amendment. Ms. Lambert so moved. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Now I'll ask the minister if she has any final comments on the two bills.

**Hon. Ms. Harpauer:** — Thank you, Mr. Chair. I want to thank the committee members for their time spent on this bill. As well as I want to thank Ms. Beck for her thoughtful questions, and my officials for coming here.

**The Chair:** — Ms. Beck, do you have any closing comments?

**Ms. Beck:** — I'd also like to thank the minister and thank the officials who were here today and able to answer our questions. It is appreciated. And thank you for the work today, but also thank you for the work that you do as well. Thank you to Hansard and those behind the scenes and behind the cameras here and my fellow committee members. It's appreciated. Thank you.

**The Chair:** — Thank you. Seeing that the business before this committee is done, I would ask a member that we move adjournment.

Ms. Heppner has moved adjournment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. This committee now stands to the call of the Chair. Thank you.

[The committee adjourned at 16:59.]