



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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Mr. Dana Skoropad
Arm River

[The committee met at 15:00.]

The Chair: — Welcome to the Standing Committee on Crown and Central Agencies. I'm Terry Dennis, the Chair. With us today we have Daryl Harrison, Terry Jenson, Dana Skoropad. Substituting for Steve Bonk is Travis Keisig, and for Greg Lawrence is Hugh Nerlien. And we have Trent Wotherspoon substituting for Erika Ritchie.

Because we are implementing measures to facilitate the safety in context of COVID-19 pandemic, if the minister needs to confer privately during the proceedings she may do so in the hallway, the vestibule, or at the front of the Chambers or in the hallway. And as a reminder, please don't touch the microphones. The Hansard operator will turn your microphone on when you are speaking to the committee.

If you have any questions about logistics or documents to table, the committee requests that you contact the Clerk at committees@legassembly.sk.ca. Contact information is provided on the witness table.

We will now be considering the estimates and supplementary estimates no. 2 for the Ministry of Finance. This includes vote 195, Advances to Revolving Funds; vote 175, Debt Redemption; vote 18, Finance; vote 12, Finance — Debt Servicing; vote 177, Interest on Gross Debt — Crown Enterprise Share; vote 151, Municipal Financing Corporation; vote 176, Sinking Fund Payments — Government Share.

**General Revenue Fund
Finance
Vote 18**

Subvote (FI01)

The Chair: — We will begin with vote 18, central management and services, subvote (FI01). Minister Harpauer is here with her officials. Welcome, and please introduce your officials and make your opening remarks.

Hon. Ms. Harpauer: — Thank you, Mr. Chair, and committee members. I have my deputy minister of Finance, Rupen Pandya, with me today, along with a number of officials tuning in remotely.

The Ministry of Finance estimates, volume 18, appear on pages 57 to 61 of the Estimates book. The Ministry of Finance's expense budget for 2021-22 is 368.2 million, a decrease of 103.4 million or 21.9 per cent from 2020-21.

The difference between the 2020-21 and the 2021-22 budgets can be primarily attributed to a decrease in the COVID-19 program support. The programs in place last year supported Saskatchewan residents and businesses through the COVID-19 pandemic. Some of the programs introduced last year were wound down as health orders and restrictions were lifted. However, as we continue through the year, circumstances can change. The pandemic is unpredictable, and we are committed to supporting Saskatchewan people.

Other increases to our ministry's budget include the following:

10.7 million for pensions and benefits; 161,000 for salary adjustments resulting from the approved collective bargaining agreement; 450,000 increase to address impending pressure for the number and amount of writeoffs for uncollectable accounts due to the economic impacts of COVID-19; 390,000 increase in general operating expenses to continue supporting MIDAS [multi-informational database application system] while the enterprise business modernization project is developed; and 55,000 for a government-wide adjustment to enterprise IT [information technology] billing; and 8,000 for the role of the Deputy Premier and a statutory increase to the minister's salary.

Mr. Chair, as mentioned, the notable reductions in the Finance ministry's expense budget compared to last year include 56 million for the Saskatchewan temporary wage supplement program, 50 million for the small-business emergency payment program, 12.6 million for Canada emergency commercial rent assistance, and 2 million for the Saskatchewan self-isolation support program.

The ministry's 2021-22 budget also includes 1.4 million in government-owned capital, a decrease of 1.6 million from 2020-21. The 1.4 million is for the real-time validation system used to validate and process tax-exempt fuel and tobacco sales from retail stores on First Nations in Saskatchewan.

The following is the annual operational highlights for the Ministry of Finance. Each year, the Finance ministry produces about 275,000 payments to suppliers, grant recipients, employees; and for government programs and supports, about 10,000 financial system users.

The Ministry of Finance also provides services to more than 100,000 business clients annually through tax revenue, refund, and incentive programs. Approval of financial statements for 131 government agencies which are to be tabled within 120 days of the fiscal year-end of each agency: the tabling deadline is now met by 98 per cent of those agencies, reflecting steady progress achieved over the past 14 years, compared to a low of 76 per cent in 2006-07.

Each year, the ministry effectively forecasts and manages the government's cash and debt requirements; produces budget reviews, estimates, and quarterly fiscal reports; and publishes ministry, agency, and treasury board Crown plans and annual reports, all within the respective deadlines.

Throughout the year the ministry also provides advice to the subcommittee on public sector bargaining for the 38 collective bargaining agreements, as well as the agreement with the Saskatchewan Medical Association. In addition, advice is provided to government on compensation matters for out-of-scope employment.

Throughout the year the ministry also collects taxation revenue for government and ensures compliance with tax programs, using risk-based audit and enforcement activities. In addition, PEBA, the Public Employee Benefits Agency within the Ministry of Finance, administers a dozen pension plans for more than 102,000 members and more than 900 employers, as well as 23 benefit plans for more than 89,000 member accounts.

The Ministry of Finance played a central role in delivering temporary financial relief programs to workers and businesses as part of the Government of Saskatchewan's response to the COVID-19 emergency. Each of these programs was up and running and helping Saskatchewan people within days of being approved by the Government of Saskatchewan. The Saskatchewan small business emergency payment provided financial assistance to small businesses that had been ordered to temporarily close or significantly curtail operations during the public emergency period due to a public health order to help control transmission of COVID-19. The Saskatchewan temporary wage supplement program helped thousands of workers who were helping Saskatchewan's most vulnerable citizens through the COVID-19 pandemic.

Mr. Chair, that touches on the important work that the people of Saskatchewan Ministry of Finance undertake throughout the year. With that, I'd be happy to take questions.

The Chair: — Thank you, Minister. I'll open it up to questions. Minister Wotherspoon . . . Member Wotherspoon.

Mr. Wotherspoon: — I liked your first characterization better. Thank you very much, Minister. Thank you to officials that are here tonight. And thank you to all of the officials that are connecting to the work here tonight and for all their work through what's been an unprecedented challenge this year, and one that continues. So I appreciate that.

Maybe I'll start first just focusing a bit on some of the COVID-related programs that are administered through Finance. There's been some remarks to them by the minister in the opening remarks, but these would all be in the subvote (FI08). And my question would be, I guess first of all, of course we see the expenditure for the fiscal '20-21 that's there. A lot of those programs have gone to . . . The budget this year is nil for most of those programs with the exception of, I guess, the Sask tourism program has a budget there. I'm wondering what the explanation is for basically no budget in the current fiscal?

Hon. Ms. Harpauer: — I'll begin and then perhaps my deputy minister might want to add more. I'm not sure. So the wage top-up program has depleted. The money has been expensed, and we won't be continuing that program. We had anticipated with the small business — I should get the right name for it — Saskatchewan small-business emergency support program we had anticipated would not carry into this fiscal year. However we have announced an additional month of that program, and I'll return to that.

The Saskatchewan tourism sector support program, we had included, I believe, it was 5 million in this budget in anticipation of the timing of applicants. However, it is looking like we won't be using all of those funds. So we're going to take what will be remaining and we will move it into the additional month of the Saskatchewan small-business emergency support program. Should there not be enough within that allocation for an additional month of the small-business emergency support program, we will have to do a special warrant after, and you will see that reflected in the first quarter report.

Mr. Wotherspoon: — Okay. Thanks for the information. What about the emergency commercial rent assistance program?

Hon. Ms. Harpauer: — That program was basically a federal program. So what we had allocated was the anticipated provincial portion of what was a federal program. I will have to defer to my deputy minister to say whether that was all expensed, even what we had budgeted.

Mr. Pandya: — Thanks. So for 2021 there was \$12.6 million allocated to the Canada emergency commercial rent assistance program. You'll recall that when the Government of Canada initially released that program, they had put in place provisions for there to be a contribution from tenants, and then landlords would also have to take a reduction in terms of rent. The first phase of that program proved to be . . . I'll let the minister speak to that, but it was very challenging. So the Government of Canada came back and essentially rewrote that program halfway through. So there's 12.6 million allocated in 2021 to the Canada emergency commercial rent assistance.

Hon. Ms. Harpauer: — Did we expense anything?

Mr. Pandya: — Yes, I'll get that number for you right away.

Hon. Ms. Harpauer: — So while my deputy minister looks up how much we expensed, if you recall when the federal government first announced this program, they were saying that the landlord had to forgo or basically bear some of the cost of giving a rent relief to lessees or renters. Myself, along with a number of other provinces, said this is not going to work — it was Minister Morneau at the time — because there is no way we can obligate. We have no legal way of making a landlord participate. He was quite adamant that it would work. It didn't. It failed miserably. So it was changed shortly after Minister Freeland came in.

Mr. Wotherspoon: — I appreciate that. I know we advocated directly, I think we've actually had an exchange on this as well, and I wrote Morneau as well on that front. The program as designed initially wasn't practical and required the landlord to really do all of the acting on that front. And you know, it was preventing many tenants from receiving the benefit that they needed. Deputy Minister, I believe you had some information.

Mr. Pandya: — Yes, so the federal government kind of rolled together both that first phase of the program and the second phase of the program, so I'll just share with you kind of the final statistics on the program. So the program provided 26.2 million in benefits to 1,071 Saskatchewan landlords in support of 1,837 small businesses with 16,298 employees. Saskatchewan's share of the program costs, including the program administration, was 6.756 million.

Mr. Wotherspoon: — Thanks for that information. With respect to the wage supplement for the low-income workers, I guess my question is why isn't that program continuing through this very challenging time? Right now we're really in the grips of one of the most challenging periods that we've gone through with COVID, and the risks and the demands for those workers really have been more real than ever in this current fiscal year thus far.

We hope of course that there's going to be some light on this front and that we're going to obviously get through this at some point. But what was the rationale for not continuing to provide that support for those low-wage workers that are doing such

critical work at this time?

[15:15]

Hon. Ms. Harpauer: — So again this was a federally announced program. And just to go back a bit. In the beginning of when a pandemic was declared and different provinces were being impacted over time . . . So if you remember — I think we all did because I think we all were quite shocked at what happened — in Quebec where they had a number of nursing homes or long-term care homes, where the employees walked off, leaving the residents in the home. And the reason why was because they were being paid less than CERB [Canada emergency response benefit].

And so that alarmed the federal government at the time, and the federal government announced that there was going to be a wage top-up program available to each of the provinces. And I'm just going to read into the record what the Prime Minister had to say at the time. And he said, and I quote:

In recognition that these essential workers' salaries are often less or similar than what they would receive from the CERB, the government will work with provinces and territories through a new transfer to cost-share a temporary top-up to the salaries of workers deemed essential in the fight against COVID-19, who make less than \$2,500 a month. Details as to the application and delivery of this measure will be released shortly following further work with the provinces and territories.

So we had available to us in Saskatchewan, and I'm going to just get a nod from my . . . I believe it was 52.3 million was the allocation from the federal government for Saskatchewan. And I mean they would give additional dollars over and above that if the province participated in a large portion of the cost of it. In response we, you know, had thought about the intent of this, and in checking with SHA [Saskatchewan Health Authority] as to how many workers in SHA . . . to address the health care crisis that it was intended for, and the incident that happened in Quebec.

I was virtually told that there was few to none of our workers that make less than \$2,500 a month, so that then became a bit of a problem of how we could use the money that the federal government was offering. So we did an initial phase of the program where we said we would top up wages for a number of areas, of places where they were looking after the most vulnerable.

And in the initial stages, of course, it was very, very, very obvious, the most vulnerable were our seniors in the long-term care. And without knowing . . . because some, it's delivered through community-based partners. We don't know how many employees they have or what they get paid. There are some level 1 and 2 care homes that, again, they're not government run, and we don't know how many employees they have or what they get paid.

So we made the offer of \$400 a month top-up to workers who earned less than \$24 an hour in the four-week period. And we included the eligibility of public and private senior care homes, community-based group and personal care homes, licensed child

care facilities, emergency shelters, transition shelters, integrated health care facilities, and home care workers providing care to seniors in their own homes. We put that application to the federal government. They approved it and said that we were indeed directing the money to where they intended.

We had money left over. So then we basically did a phase 2, more focused on the seniors and the workers that live in the assisted living facilities, the long-term care, and private care and home care, and did another phase of the program. And the last money then was used by the SHA because they have done a very successful job of ensuring that employees were cohorted and not working in more than one home.

Part of the rationale with the long-term care is that there was a complete shutdown of visitors that were allowed to go to the long-term care. As most of us have loved ones in long-term care facilities, we know intimately that visitors are quite important to what happens in long-term care. I know myself, I would take my loved one out for an afternoon or at the very least sit with them, sometimes help with meals, etc. And that could no longer happen. So it really did go onto the workload of the workers. So that's why that sector was not only included in the first phase of the program availability but also for the second.

The other thing that we did was, for the long-term care we took the ceiling cap off and anybody and anybody who worked there qualified.

Mr. Wotherspoon: — Thanks for the information. And I understand that, like, the second phase was more inclusive in who it captured or supported as far as workers, it seemed to me by my assessment, but it still excluded quite a few workers that worked in hospitals and that worked in CBOs [community-based organization] and that worked for Canadian Blood Services, for example. I guess I'm looking for the rationale as to why those workers were shut out.

Hon. Ms. Harpauer: — The intent that we felt from the federal government initially but for our program in particular and how we designed it, was to utilize the federal money. And I get that it was distorting it. It was a very strange program actually . . . was for those that had their workload significantly changed because of the reasons that I said where visitors were restricted. So it was home care, long-term care with our seniors in particular. And there was health orders that didn't allow visitors to go in, and there was restrictions for the seniors that basically couldn't have visitors in their home to care for them in the same manner, so it was to cover the home care.

Had we included all health care workers across the line, then we would have needed an additional approximately \$80 million. So significant. At the same time we were also having support programs for businesses who literally were shut down and employees who weren't sure that they had a job at all.

So you kind of weigh the significant impact and still being fiscally responsible that, you know, we have a number of people that lost their jobs throughout this pandemic, or at the very least lost their jobs for a time period. And their salary was taken right down to CERB.

Whereas our health care workers, and I by no means . . . I

completely respect — I used to be one — the work that they do. But I know as a lab tech, a visitor coming in and out didn't help me. In fact it would be kind of a nuisance if they were coming into the lab. And so the workday didn't change significantly. I was assured a wage or would be assured a wage through the pandemic. Should we add all health care workers, it would have been between 80 and \$100 million, additional dollars we would have needed provincially.

Mr. Wotherspoon: — It's a difficult situation obviously to design a program, but just some of the folks that have been described that were shut out, you know, working in child care throughout this time and with significant risks but so essential to families and to workers and to those working in health care, as well as folks in group homes and working in crisis intervention and Canadian Blood Services. It really does seem that there was a large number of workers who, you know, really were at risk, going the extra mile, essential to the COVID response in a holistic sense but that were shut out.

I'm interested just in the programs that . . . so all of the programs that we're looking at here: the temporary wage supplement for lower income essential workers, the small-business emergency payment, the Canada emergency commercial rent assistance, the self-isolation support. Out of the 2020-21, the previous fiscal, out of the dollars that were spent there — they're detailed in the budget here, of course — what percentage of those dollars, or what was the total value of the federal contribution or the federal input on that front?

Hon. Ms. Harpauer: — Before I answer the dollar question . . . And I believe Education estimates have already been done. For the child care centres, they got not one but two payments through the . . . I'm trying to remember the program, but it was also a federal program. Safe Restart, Safe Restart program. They got two payments out of there as well. So they were included in the first phase of the wage top-up plus they got money two separate times after the fact. So they did get additional dollars.

For the wage top-up, as I said earlier, the federal money that went into that program was 52.3 million; for the small-business emergency support program, zero; for the Saskatchewan tourism support program, zero. For the education emergency pandemic support program, it was entirely federal . . . [inaudible interjection] . . . No. So 40 million came from the provincial contingency fund.

Mr. Wotherspoon: — Sorry, which program are we talking here?

Hon. Ms. Harpauer: — Oh, that's the education emergency pandemic support. Yes, so 40 million came out of the contingency fund that we had in the budget, 40 million came from the school divisions' savings, and the remainder 75 million came from the federal government.

For the Saskatchewan self-isolation program, which was the program that we introduced right in the very initial two weeks of the pandemic to cover wages for people that had to self-isolate — and then the federal government introduced a program so that kind of made ours redundant — there was no federal money in there.

So to summarize, in the education emergency pandemic support program, there was 75 million from the federal government. And for the Saskatchewan temporary wage supplement program, there was 53.2. And there was no federal money in any of the other programs.

Mr. Wotherspoon: — Thanks for the information. And the federal contributions were fully exhausted in the previous fiscal year, correct?

Hon. Ms. Harpauer: — Correct.

Mr. Wotherspoon: — So there was no unspent federal dollars on those fronts. What about the commercial rent assistance program? Sorry, could you just touch that program again? Is that a cost share or is that entirely federal dollars?

Hon. Ms. Harpauer: — No, it was cost shared. I didn't bring in my stats on that, so I would defer to my deputy minister on that program.

Mr. Pandya: — Sure. I'll just try to track down the relevant statistic for you, but let's see here. So as I indicated earlier, the program was 12.6 million and the provincial share was 6.756 million. Again that was the phase 1 program, but as I indicated earlier the program morphed into a federal-only program. And then I think I already shared in the record the total contributions by the federal government as part of that second phase of the program. So I think that there was something in the neighbourhood . . . I'm just trying to recall if it was 26 million or 21 million. I'll just get that number for you.

Mr. Wotherspoon: — I think 22.6, I believe.

Mr. Pandya: — Twenty-six million in benefits to Saskatchewan businesses, yes.

Mr. Wotherspoon: — Thanks for that information. I know that we've been clear with our concerns over the program design around the small-business emergency payment program and how it's shut out too many businesses that need and deserve support at this critical time. But as I understand, I know we've taken that up directly.

I think the program design was over with the economy minister, is my understanding. I know our critic has been very clear with that minister. I just want to make sure I'm on the record pushing that, you know, we're not out of the woods yet. And of course you've responded that there's going to be an appropriation for the business program in this fiscal, whether or not the dollars are there that are within the tourism program, or whether there needs to be some additional dollars. What I would urge is that we really need to make sure that we have those supports out there right now. And certainly to the economy minister and your voice with him, that program's been too restrictive to date and we need to make sure the supports are out there.

[15:30]

I guess one question if I . . . and maybe this is the kind of question that maybe folks can bring the information back to the committee at some point. But for each of those respective programs, would it be fair to have provided back to us as a committee how many

applicants there were for each, how many were approved, how many were rejected? And I mean, we have the total spend, so we don't need that because we have that. So how many applicants? How many approved? How many rejected? If you have it on the ready, I'd take it right now. Otherwise I'm quite comfortable to receive it in the coming days.

Hon. Ms. Harpauer: — I don't have the approved and rejected, but I have the breakdown that you might find interesting on the wage topic of where they worked. So there was 28,876 payments made for special care homes. There was 19,565 payments made that were integrated facilities, so special care home, acute care, and health care centres where it's integrated. There was 8,212 payments made to personal care homes.

1,760 payments made to licensed child care centres; 1,546 payments made to CLSD [community living service delivery] group homes and CLSD group living homes. There was 1,210 payments made to home care services. There was 987 payments made to unlicensed assisted living; 653 payments made to private service homes or approved homes. 493 payments made to CFP [child and family programs] group homes; 154 payments made to . . . It just says group homes so I'm not sure; they're not labelled as to what type of group home.

130 payments made to CFP short-term, community-based homes; 116 payments made to crisis response and other specialized group homes; 110 payments made to emergency shelters; 95 payments made to mental health group homes and supported living homes; 93 payments to domestic violence shelters; 23 payments to unlicensed daycares; 9 payments to CLSD group living home. There's 9 additional payments made to emergency youth shelter; 7 payments to transition shelter; and 6 payments to supported family living, for a total number of payments of 64,039.

So that was the first phase, and the amount that was expensed in that phase was 25,615,600.

Mr. Wotherspoon: — Good. This is all really good information. I'm wondering if some of this could be like profiled, wanting to make sure that we have just the sense of the number of applicants, the number that were approved, number rejected. And certainly this is all really . . . this information's all really helpful as well. It could certainly come along with that information if possible.

Mr. Pandya: — Thank you for the question. I'll just provide summary-level data, then. So Saskatchewan small-business emergency program phase 1, there was 8,792 applications received; 2,307 applications were denied. All the denials were based on violations of the program criteria. The approved applications for 6,485 for a total amount paid of 32,063,000. I'll just . . . 63,040 if you'd like the full number. The approval percentage was 70.64 per cent, the denial percentage was 29.36.

For SSBEPP [Saskatchewan small-business emergency payment program] phase 2, there was 3,831 applications received.

Mr. Wotherspoon: — Which program is this, sorry?

Mr. Pandya: — This is the Saskatchewan small-business emergency payment program, second phase.

Mr. Wotherspoon: — Phase 2, gotcha. Yes.

Mr. Pandya: — Yes. 3,831 applications received; 1,231 denied; 2,567 approved. The approval rate was 71.91 per cent, denial rate 28.19 per cent.

Just moving on to the tourism support program. Under phase 1: 945 applications received, 184 denied, 761 approved. 85.37 per cent approval rate, 14.63 per cent denial rate.

The second phase of that program, Saskatchewan tourism support program, there was 924 applications received, 116 denied, 755 approved; 81.71 per cent was the approval rate; 12.55 per cent was the denial rate.

The Saskatchewan temporary wage supplement program, so the minister read into record the detail on that phase 1 program. But the high-level summary statistics are 79,227 applications were received, 15,188 were denied, 64,039 were approved. The approval rate was 80.83 per cent and the denial rate was 19.17 per cent.

For the second phase of the Saskatchewan temporary wage supplement program there was 24,100 applications received, 3,199 denied, 20,901 approved. The approval rate was 87.72 per cent, and 12.28 per cent denial.

And the Saskatchewan isolation support: there was 4,232 applications received, 2,097 that were denied, 2,135 that were approved. The approval rate was 50.45 per cent, and the denial rate was 49.55 per cent.

And I've got the summary total for all the programs if you'd like, Member. I don't know . . .

Mr. Wotherspoon: — Sure.

Mr. Pandya: — So applications received, 107,559; denied, 20,484; approved, 87,075. The approval rate across all programs, 80.96 per cent, and the denial rate was 19.04 per cent.

Mr. Wotherspoon: — Thanks so much for having the information available here tonight. And I'll maybe move along to other focuses within the estimates, but just leaving on the record that of course the support for small businesses is critical right now, and to express concern that many workers that certainly were working with significant strain and challenges and pressures were shut out of the top-up program.

I'd like to move along just a little bit to the borrowing program of government. Obviously this was a very heavy borrowing program in this budget. And I guess I'm looking for a bit of an update on that borrowing program including the sources of borrowing, you know, the country, any swap arrangements that are occurring.

Hon. Ms. Harpauer: — For the details I think you're looking for, I will turn it over to my deputy minister. But before I do that, I just want to add that it has shown through this time period, more than ever, the importance of the credit rating, the strong credit rating that we have. I don't think I can remember in my time being involved in this job of ever being able to borrow at a — albeit very slight — less interest rate than Ontario. And

consistently we've been able to borrow at a lower interest rate than Alberta. So our strong credit rating position has done well. It's allowing us to borrow at relatively low interest rates.

With that I'll get the details on our borrowing plan from our deputy minister.

Mr. Pandya: — Member, maybe I could just start . . . Just because your question was a large question, I'll just start with an overview of debt. And then if you had specific questions . . . I appreciate you asked a very specific question about if there was international borrowing that occurred. There was one international borrowing that we facilitated. It was a 115 million euro deal, so it translated to 180 million Canadian. That's completely swapped so we're protected against exchange rate. And we did that to ensure that we were getting competitive rates with respect to our entire domestic borrowing program. So that was the only international issuance that occurred in 2021.

In total at March 31st, 2021, public debt is \$23.596 billion. And moving into '21-22, end of fiscal we'll see a public debt at 27.776 billion, which will be a 4.2 billion increase. That's principally of course to drive both revenue and program expense shortfalls due to COVID-19 and to fund the provincial capital program both in executive government and in Crown corporations.

So then just to break that down a little bit further for you, for '20-21 budget the operating debt is 9.4 billion, Saskatchewan capital plan debt is 8.142 billion, and other government service organization debt is 3.4 billion. So for GSO [government service organization] debt, a combined 17.855 billion and government business enterprise debt of 9.9 billion. Again that totals to the 27.7663 billion that I spoke to earlier.

And I don't know if there's other elements of the question that I haven't answered that you asked, Member?

Mr. Wotherspoon: — I appreciated you touched on some of the foreign borrowing and the swap component there. Can you describe or profile the term structure and coupons for both Crown corporations and the GRF [General Revenue Fund]?

And I guess just while you're looking for that information, I'm also interested in what amount the Bank of Canada may have taken on or purchased of Saskatchewan debt and what the . . . in the year 2020, this past year, and what term and coupon rates attached there, if they purchased Saskatchewan debt.

Mr. Pandya: — Member, we can get you that information regarding the total of the coupon and the Crown Corporation GRF debt. If you'll just give us a few moments, we'll be able to get that for you.

Mr. Wotherspoon: — Thanks so much.

[15:45]

Mr. Pandya: — So maybe I can just try to answer your question while we're waiting to kind of get the technical answer you asked. So in general our borrowing program, Member, is aligned with the type of borrowing that we're doing. So for example if we're borrowing for operating funding because of COVID-19,

those would be short term issuances. Typically the benchmarks would be 5- and 10-year. We'll even go shorter term. We'll borrow in floating-rate term markets on a shorter term basis as well.

And for capital borrowing, we'll typically go longer term depending on the life cycle of that asset. So that's typically when we're moving to 10, 20, and then ultra-longs as well. And so our borrowing program is geared to the nature of the borrowing, so any sort of deficit borrowing related to pandemic would be short-term borrowing.

Because we also, as part of our annual borrowing program, are doing refinancing as well, we've retired all of our high-interest-rate debt over the course of the last number of years. And so our highest rate coupon right now I think is 9.5 per cent, and that's going to be coming due soon.

So of course with ultra-low rates, right now I believe our 10-year benchmark for Saskatchewan is 2.187. That's about 68 basis points higher than Government of Canada benchmark on the ten-year benchmark. And for 30-year it's about 2.849 per cent, and that's about a 70 basis point difference from Government of Canada. So because rates are extremely low as we enter into additional refinancing, we'll be actually reducing the interest on any existing debt.

Mr. Wotherspoon: — I appreciate that information. I can scratch out the next question I had around the refinancing.

Mr. Pandya: — And I have your answers again. So the average coupon last year was 1.5 per cent on new debt, and the available term of borrowing last year was 12.6 years.

Mr. Wotherspoon: — Certainly all nationals, all sub-national governments, have heavy borrowing programs this year. Certainly our province has a very, you know, heavy borrowing program here this year. I guess, what's the back-up plan if we run into a challenging global situation as far as liquidity right now?

Hon. Ms. Harpauer: — Again, I'll address some of this and then my deputy minister can add on. It was extremely important when the pandemic was . . . When it was announced that we were indeed in a global pandemic and there was lockdowns happening not just in our own country but around the world, there was a short time period where nobody was basically buying the bonds. Borrowing was very difficult.

That was where we were sitting on well over \$1 billion in cash at that point because of difficult decisions. And you have brought up the decisions we've made a number of times and questioned them. And they were difficult decisions, but nonetheless, it did put us in a situation going into a pandemic where we were very, very solid financially. We not only had revenues coming in that was higher than our expenses at that time, but we had a lot of cash.

And so that was extremely important those first few months of the pandemic, before things started to move again on the borrowing side. It was why Manitoba made the call, quite frankly, for Canada to allow the provinces to borrow. We basically have not borrowed from the Bank of Canada because our bonds are desirable on the market. What would you like to

add?

Mr. Pandya: — Just that during the first part of the pandemic, you know, there was so much uncertainty, you'll recall, in those early days, Member, that, you know, financial markets, economists, provincial governments, national governments simply couldn't model what was a once-in-a-generation event. Since that time, we saw normal functioning return to capital markets.

So you know, during those first month or so, there was a lot of concern with respect to liquidity. And the minister's right because, you know, treasury board has put in a liquidity policy that's now some 750 million to 1.25 billion of cash. It maintains us, our operations, and saves us from, kind of, predatory borrowing in short term markets, or if markets were stalled like they were during the first part of the pandemic. You'll know the Bank of Canada introduced a bond purchase program. So they're buying in the secondary markets. So we're not borrowing from them; they're buying bonds just like any investor would buy bonds. And so they had that program up and running, and it restored a healthy functioning in capital markets fairly quickly. And we continue to see that.

They've stepped down that program, you'll know. So we have, again, a very healthy liquidity policy, even in the current fiscal year, because of its . . . You know, typically our liquidity levels are around 750 million. So we're almost at double that for the current fiscal year, just in case. So you never want to say never, but I think what's happened is everybody, globally, capital markets, everyone has learned from the first phase of pandemic. And I think you now see a more healthy functioning of markets. And they've priced in the risk of that, into the current program.

So I don't anticipate us tripping into another global liquidity issue. Certainly we won't at a provincial level at least over a six-month period.

Mr. Wotherspoon: — Should the information . . . Certainly, it's just concerning seeing the rapid accumulation of provincial debt, and just with some questions and potential volatility in the world around us around these fronts, around the pressures on liquidity. I appreciate the responses and the policy that you've laid out that you feel satisfies a level of protection for Saskatchewan on this front, but it's certainly still a concern. I appreciate the attention that's being given to this front.

Now Moody's has given us a negative outlook. And I'm just wondering if they move from there, and I hope not, but if they move from there to a downgrade, what sort of impacts do we have fiscally and as far as access to markets?

Hon. Ms. Harpauer: — So before I begin, you're right; you're correct, everyone's taken on enormous debt. Saskatchewan now will have the lowest debt-to-GDP [gross domestic product] ratio in the country, albeit not probably where any of us would like it to be. We haven't got the final ratings from the various credit rating agencies, and you know, it's always a concern if they all downgrade. You know, will it then impact the interest rates that we can borrow at? And we don't know that yet. We don't have all of their final reports and final evaluations.

Mr. Pandya: — Thanks. So just as some information, so we

started trading tighter to Canada, so closer to their rate of borrowing, after the budget was released here, and matter of fact, traded on par with Ontario. Ontario issues one of the largest portfolios of debt, even though they have a lower rating. Because they are so active in markets, they get preferential rate. And so we started to trade through Ontario for the first time since 2018. So it's been really positive.

The risk of, you know . . . So again the minister's already answered the question with respect to credit rating agencies. You know, we've already met with Moody's and S & P [Standard & Poor's] and we've shared with them the detailed metrics of our budgets. And we'll wait and see what their reports will be.

Typically what I would tell you though, Member, is that markets, or the credit rating agencies, or pardon me, the markets will already have factored into their purchase of debt, they will have already factored in their perception of our credit rating. So you'll know we have the second-highest, currently second-highest credit rating in Canada and the lowest net debt-to-GDP. So they'll look at those overall metrics in determining, you know, what kind of coupon they're willing to take.

And so as I noted, post-budget we actually started trading tighter rather than longer. So it remains to be seen what Moody's and S & P ultimately provide as kind of further guidance.

But you know, you had made a comment earlier. And again this is just . . . It's every sub-national. It's every government is in the same boat. And so from a relative perspective the entire, you know, the boat's taken on water. And so you know, there's a question to rating agencies of what are they going to do in that context because everybody can't be a bad credit. There was always a dimension of relativity, if you will, in terms of ratings, and so that will continue to play a part I think going forward as well.

Mr. Wotherspoon: — At what point would a downgrade really start to affect the cost of borrowing?

Mr. Pandya: — Markets will have already priced in . . . In advance of a downgrade, they will have already priced in what the impacts would be. So you know, if it was 2 to 5 basis points, it would be about 2 to \$3 million in incremental borrowing costs per year. So I don't know how to answer that question other than giving you the data of what the impact would look like.

Mr. Wotherspoon: — Question around the situation with the Saskatchewan Crop Insurance Corporation and the accumulated surplus that the government borrows. And we're talking about a very serious, sizable amount of dollars at this point with a significant surplus on top of the required dollars actuarially to satisfy the program and make sure that it has the reserves that it requires. I think we're around \$2.2 billion right now that the province in essence is borrowing at this point. I guess just looking to ensure that I have the right number here.

Hon. Ms. Harpauer: — I'm not sure we're clear. Are you talking about the consolidated offset balance concentration? Is that what you're asking about?

Mr. Wotherspoon: — So the Crop Insurance Corporation has \$2.2 billion that are accumulated that are in essence borrowed by

the government at the lowest borrowing rate possible, is my understanding.

Hon. Ms. Harpauer: — It's all in the summary financial statements, so it's all included.

Mr. Wotherspoon: — Right. No, so I understand that. I guess my question is so the 2.2 billion, is that the amount that's there right now?

Hon. Ms. Harpauer: — It's 2.8 billion.

Mr. Wotherspoon: — 2.8 billion. Why does the province use the shortest term interest rate with respect to these dollars that are, you know, in essence producers' dollars?

Mr. Pandya: — So these funds again, I don't know if in the Ministry of Agriculture committee if you had the opportunity to talk about the consolidated offset balance concentration, but it's a process whereby the Royal Bank of Canada consolidates all the banking accounts of government and all the government entities. So we are able to use those funds as short-term funds rather than borrowing those funds. And we provide interest as part of . . . The minister indicated there's full disclosure in summary financial statements on the amount of interest we provide.

Your question is about the term of the interest. And because those funds are insurance funds, they would have to invest in short-term high-quality liquid assets, so that they can convert those assets as quickly as possible to cash. And so we're just following the same kind of accounting requirement that those funds would be required to . . . the type of assets that those funds would have to be invested in. So that, I think, answers your question.

The interest paid to SCIC [Saskatchewan Crop Insurance Corporation] in 2021 is 4.5 million. And the total interest paid across all the remaining COB [consolidated offset balance] accounts — the Sask Crop Insurance COB is the largest component — is another 5 million. Average rate was about 0.19 per cent. And again that's because rates are so extremely low right now in terms of interest paid on savings.

Hon. Ms. Harpauer: — I would just like to add, like, the consolidated offset balance concentration arrangement has always . . . It's been in place since the 1990s. This is not new, and it's been a widely used practice throughout the decades.

Mr. Wotherspoon: — Yes, that's correct. And I think some refer to it as cobbing, I believe. But I guess the feeling is that these dollars, this has become so sizable, these dollars, that the borrowing certainly isn't long term for the province. So I think the question is, you know, is this program, and ultimately producers, being shorted when they're getting the shortest term interest rate possible, even as opposed to a one-year rate? Because it certainly isn't short-term lending for the province.

[16:00]

And then I guess that, you know, begs another question around at what point do you do a proper actuarial assessment of the dollars that should be held here by this program. What's required? And if we're well beyond the dollars required — which

I believe in my conversations with agriculture and others that have weighed in on this, it seems that we're well beyond the dollars that are required from a reserve perspective on this — then are producers, you know, being shorted in some way on this front? And could those dollars be deployed in a way that benefits producers in this province in a better way?

Hon. Ms. Harpauer: — Well I won't speak for the Minister of Agriculture and Crop Insurance or producers. I think I'm quite plugged in with producers, and they recognize that we have increased coverage and increased commodities and changed crop insurance to the better for producers enormously over the last decade.

And producers know that if there is a claim, if they have a claim, that this government will be paying that claim through crop insurance, and there's never been an issue there. So that would be their concern. But I don't think you will find too many producers that will say the program hasn't been enhanced considerably over the last number of years.

Mr. Wotherspoon: — It's an important area because we're talking about such sizable dollars. These are producers' dollars as well. And you know, to short them the appropriate interest is something that certainly has an impact on them with those dollars. It's an area that I'd urge further focus. I know the Minister of Agriculture expressed some interest and concern over the matter, directed me back as well to this table.

So I will, you know, I'll leave it here. I think that it doesn't seem right that as a government you're paying the lowest interest rate to producers on this front for these dollars that are important. Even if you just compare it, as I say, to providing a one-year . . . You know, cost of a one-year rate may be more fair. And then there's the question of, you know, how many dollars in fact need to be held in reserve?

But I'll maybe move along just a little bit to another program. I guess, the Auto Fund that has, you know, another sizable balance to it, almost a billion dollars. I'm interested to make sure that we hear a commitment from the minister to ensure that those dollars will never be . . . that there'll never be legislation or actions of government to utilize those funds, enable them to the GRF. To make sure that they're there for their purpose through the Auto Fund. And if anything, as we've seen with the rebate, making sure they go back to whom they belong to when that's appropriate.

Hon. Ms. Harpauer: — I want to go back to your statements that you made on the crop insurance, and correct me with what I'm missing. But when you buy an insurance policy and you pay a premium, that money is not yours. What you buy is assurance that you will get coverage should there be any event under the policy that you then are in the position to have a claim. And the insurance company is then obligated to pay out your claim and to keep money in reserve, enough to be able to manage a large number of claims. There is no question the Government of Saskatchewan will be there for whatever our agriculture claims are.

So I know that in your comments you're kind of alluding that these are the producers' money that needs to go back to the producers. They're buying an insurance policy. And we do also

buy reinsurance should there be a catastrophic event. We buy insurance on the insurance to basically take some risk out of a high-claim year.

For SGI [Saskatchewan Government Insurance] Auto Fund or SGI Canada funds, you need to take those questions to the Crown and Central Agencies Committee when the minister is before that committee.

Mr. Wotherspoon: — Just to be clear on the questions around the crop insurance, so the question gets to rates and premiums and dollars that producers are contributing. And if the reserve that's accumulating is well beyond what's actuarially required, and then those dollars are being held but being paid the shortest term interest rate around, the producers are being shorted with that pool of dollars. And that has an impact on producers by way of the premiums that they pay, the rates, and ultimately they are their dollars.

And the whole purpose of the Crop Insurance Corporation — very important to this province — is to, you know, not to make big profits but to ensure that protection to producers, and the best value. So just if you look at the numbers over the last number of years, the growth in those reserves are significant. And I think that there's fair and important questions to be asked, and important work of government to look at what's the best way to treat those dollars.

I know it also relates to federal agreements as far as how those dollars could be utilized or how they need to be managed. But I do think that this is an area that needs to be addressed. And certainly right now by paying the shortest term interest rate for these dollars, that are in significant surplus for producers, shorts them of their benefit.

I guess the question around the Auto Fund, the question was that we have this sizable fund. Can the Minister of Finance assure us that there wouldn't be actions of her government or legislation that would deploy those dollars or grab those dollars or utilize those dollars outside of the express purpose of why they're there?

Hon. Ms. Harpauer: — You're asking a very hypothetical question, and I'm not sure what express purpose . . . Again there's premiums. I know from past minister of SGI, some of the premium dollars that SGI collects is directed towards traffic safety issues or initiatives.

It's a hypothetical question, and it's best asked in the Crown and Central Agencies and that minister can dig in to exactly where you're going with this.

Mr. Wotherspoon: — This minister rules out though changing legislation in a way that allows access to those dollars by the GRF?

Hon. Ms. Harpauer: — I don't know how the legislation's worded right now, so I'm not sure what change you're alluding to.

Mr. Wotherspoon: — Just with respect to that fund, certainly of course we had advocated and pushed for a combination of a rebate on this front and also a rate reduction because the fund was well in excess of the reserves that were required. We'd pushed

that for some time. We went through an election pushing some of those components.

We do appreciate seeing the government utilizing this incredible and strong Crown in Saskatchewan to allow ratepayers to access some of the excess dollars. And it's their dollars ultimately, so we are supportive of that rebate.

Now the question is, if you look at the actual earnings of the Auto Fund, you're talking about \$192 million this year. So my question would be, \$192 million this year, would have those earnings been \$500 million this year without the rebate? Or how has that rebate been profiled within the budget?

Hon. Ms. Harpauer: — We'll find a line in the Estimates document for you, but you're outside of the Finance budget right now.

Mr. Pandya: — Member, maybe I'll try to answer your question generally and I'll see if my officials can find a more specific answer in terms of the actual number you're looking for. But in general, you know, the Auto Fund has a rate stabilization reserve and that's the fund . . .

Hon. Ms. Harpauer: — That's for SGI.

Mr. Pandya: — Oh sorry, SGI.

Hon. Ms. Harpauer: — Those are for SGI.

Mr. Wotherspoon: — One of the problems, we don't have . . . Through this estimates process, we don't have the minister of the Crowns or the Minister of SGI before us, so I was trying to get at . . . This is sort of our window to having an understanding of how these dollars, how this rebate is profiled within the budget.

Hon. Ms. Harpauer: — SGI's annual report.

Mr. Wotherspoon: — But we don't have that. We don't have committees on it, so I'm just asking the minister. I know this year the net income is suggested that it's going to be \$192 million. And then I'm wondering, because of course you have the rebate of about \$350 million, would've the net income been about \$500 million factoring in those or if the rebate hadn't occurred? Or where is that rebate profiled within the budget?

The Chair: — Mr. Wotherspoon, I would ask that you stay on track to the Finance estimates, please.

Mr. Wotherspoon: — It's my intent to stay on track. The windows to ask about these programs, you know, all roads lead through the Finance minister on these fronts as far as how a budget is presented and organized. So I guess I'll shift from that question and I'll look for clarity in the coming days from government on that front.

But if you look at the actual net income of the Auto Fund in the next two years, this year and next year, it's over \$400 million in just those two years. The reserve, the Auto Fund itself is near a billion dollars. So I think the question remains that ultimately, you know, we have an exceptional Crown corporation here and delivering incredible value to Saskatchewan people, but ultimately the government is holding more dollars there than

required. I guess to the Finance minister: does she support the proper assessment of a further rebate and rate reduction to ensure that the Auto Fund has the dollars that it requires to meet obligations, but to make sure that the rightful owners of those dollars, the ratepayers, receive the benefits that they deserve?

Hon. Ms. Harpauer: — Mr. Chair, I'm not obligated to answer questions on SGI. They have a board. They have a minister. They go through, as well, the Crown Investments Corporation board. So decisions are made on a number of levels and the health of the Auto Fund investment fund is discussed at all of those tables, and there is a report. Crown and Central Agencies is the committee that reviews those reports and the member will have every opportunity to ask questions on SGI when that committee meets.

The Chair: — Thank you, Minister. And again I will caution Mr. Wotherspoon, stay to the estimates on Finance. Those questions that you have previously asked pertain to other committees, so please stay on track.

[16:15]

Mr. Wotherspoon: — It was not my intent to deviate at all, and I'll move along to another line of questioning. Certainly it all impacts the broader financial position of the province. One of the other challenges is we had scheduled the annual reports to be considered by the CCA [Crown and Central Agencies] Committee. COVID intervened. So we do look forward to those opportunities with the respective Minister of SGI and the Minister of the Crown Investments Corporation. I guess in that case they're the same person. But it's clear that there's excess dollars there that should benefit the ratepayers.

I'll move along a little bit to the PST [provincial sales tax]. How much does 1 per cent of the PST create in terms of revenue for the government in this '20-21 budget?

Mr. Pandya: — So the answer to your question is 380.7 million.

Mr. Wotherspoon: — Thank you for that. Now when government made the changes in 2017 that we opposed strongly at that point around the PST, a 1 per cent increase was worth about 242 million, I believe. And the broadening of the tax base was valued around 655 million, if I'm tracking that conversation properly.

So can you advise me what the tax increase has now cost the taxpayers of Saskatchewan? That would be the increase to the PST, but also the broadening that occurred in 2017.

Hon. Ms. Harpauer: — So while the deputy minister's looking up a specific number for this particular budget, I can say this: that the combined income tax and PST on Saskatchewan residents with the higher and broadened PST, for a single person earning \$40,000 of total income, are paying \$744 less than they were in 2007 when the previous government — I believe it was NDP [New Democratic Party] — were in power.

And for a combined income tax and PST in Saskatchewan, for a family of four that were earning \$50,000 total income, are paying \$2,404 less per year than they were in 2007 under this government today. If we have the combined income tax and PST for a family of four that earns \$75,000, are making \$1,844 more

today than they were under the NDP with their tax regime. I could keep going down a number of scenarios if the member would like.

Mr. Wotherspoon: — No, just the answer. Just the answer as far as what the cost of the tax increase and the broadening, what that is in this fiscal year.

Mr. Pandya: — So we've not continued to track the base expansion. So at the time that the rate increase was, it was estimated to be worth 260 million, and the base expansion was 850 million.

Mr. Wotherspoon: — Okay. So we're well over a billion dollars though then, into this fiscal when you look at the value per point plus the base expansion. And it's just over a very short period of time. That's \$1,000 — over \$1,000 — for every man, woman, and child in Saskatchewan, which is money directly out of, certainly their households, but it's money directly out of our economy. And you know, I think we see the consequences of that. I know certainly Saskatchewan households know the consequences of that.

Just to profile a couple numbers here, when I go back and look at the intercity comparison that the government publishes, in the 2016 budget just prior to those increases, and then I compare how much of an increase the average family's paying on PST, the amounts are significant. And as I say, if you're talking about over a billion dollar tax hike, you know, you're talking about \$1,000 for every man, woman, and child in Saskatchewan. And it bears out if you look directly at the budget document published that, you know, your average household has really taken a serious hit on this front.

But it hasn't just been households that have taken a hit on this front. Certainly our economy has as well, and you know, there's a few sectors of our economy that have really been hurt by the imposition of the PST. And specifically the restaurant industry really never . . . You know, it was hit hard by the imposition of that PST. You see it play out. It was in decline. It was contracting ever since that period of time and then of course the restaurant industry's facing such serious hardship right now through COVID.

It would seem that now more than ever it would be a good time to revisit that decision and an important time to remove the PST from restaurant meals. Is the minister open to doing so? And why didn't this budget provide that commitment at a time of such hardship for our restaurants?

Hon. Ms. Harpauer: — I just want to highlight for the member that the Saskatchewan PST rate continues to be the lowest in Canada, with of course the noted exception of Alberta that does not have a provincial sales tax. But for all other provinces we have the lowest PST rate in the country. Also the exemptions that we have from PST is basic groceries; prescription drugs; reading materials; personal services; feminine hygiene products; used goods; and vehicles have exempt amounts; electricity; natural gas; farm machinery and repair parts; fertilizer, pesticide, and seeds; agriculture, life, and health insurance are all tax exempt.

As well, we have a low-income tax credit and we have increased that in previous years. Not all provinces have that tax credit, and

it's a redeemable tax credit, so you don't have to pay taxes to get it; it is cash. And then we have a rebate for new-home construction.

And there were other affordability initiatives that were specific to this budget, and I would love to highlight those affordability initiatives for the committee. One is the 10 per cent rebate on power bills, and that helps both individuals, families, and businesses. There's the SGI Auto Fund rebate that the member highlighted earlier. We have reinstated the indexation of the personal tax exemption. And we have one of the highest tax exemption which then equates to the lowest income tax paid in the country — I believe we're second.

Specific to seniors, we reduced the ambulance fees and we increased the seniors' income plan. For families in this budget we increased support for diabetic supplies; we increased support for families with children with autism; and we're reinstating the active families benefit. And then as I mentioned earlier, we have the home renovation tax credit.

Now I know that the member opposite likes to see the intercity comparison of taxes and utilities, and they are on pages 72 and 73 of the budget. And he must note that when you have a single person at \$40,000 total income, we are the lowest cost. When you look at the intercity comparison for a family — I'm assuming it's a family of four — at \$75,000 total income, we're the second lowest. And for a family making 100,000 it is the second lowest for that as well.

So I think there is a number of measurements that our government's put in place to make life more affordable. Is there always work that needs to be done? For sure. We review that with each and every budget.

But it is very easy for him to say, okay this is a billion dollars that is additional taxation. But then we have a number of public employees; I think they're very important. They deliver services for the betterment and health and welfare of our citizens. And we don't appreciate that more than we have now over this past year, in particular in health care but also in education, in social services that are working with those most vulnerable. I think we have an appreciation like never before for the individuals that work in those services for the benefit and the health and well-being and better lifestyle for our citizens.

Every year we are now . . . we have completed a complete round of collective bargaining. Most of the tables are going to see a few years of 2 per cent increases, and that is cumulative over time. And there then needs to be a revenue source that helps to pay those well-earned wages. And I suggest to the member opposite that, yes, the tax amount does go up over time, but so does what we pay our public service.

And I don't think he would ever once — unless he wants to tonight — want to say that we should then have permanent zeros because we don't have the revenues. I think he would like to see those revenues increase over time that would cover the cost of those services that the people of our province expect.

Mr. Wotherspoon: — The minister presents a false choice here though and really covers over the mismanagement of her government, which comes home to roost. And this is the cost of

it. And when you have things like that bypass that just went off the rails by way of cost, biggest overrun in Saskatchewan's history, a project that ballooned in a massive way. Or the GTH [Global Transportation Hub] and the deals that were associated there, the millions lost. Or the carbon capture that was mismanaged and resulted in some of the highest-cost power you could possibly put in the grid.

This stuff, it's the decisions of her government that caused the pain that Saskatchewan people are now feeling. And it's hurting our economy when you've had such heavy imposition of new taxes, the biggest tax hike, of course, in Saskatchewan's history.

Now I guess my question is, has there been any accounting around this tax hike — over a billion dollars annually now imposed onto everything from construction to restaurants to used cars — certainly aptly described as a job-killer? Has there been an assessment of how many jobs have been lost as a result of this massive tax hike in Saskatchewan that was imposed in the 2017 budget?

Hon. Ms. Harpauer: — No.

Mr. Wotherspoon: — Back to my question about the restaurants. Could restaurants see some relief here? I know it's not in the budget, but you know, this is a time where they're really hurting right now. Is the minister open to reconsidering the taxation on restaurants that was imposed, and would she consider scrapping the PST on restaurants at this time? And if not, why not?

Hon. Ms. Harpauer: — I think the member opposite has read the budget. He knows that it wasn't considered and it wasn't included in this budget. I believe again, with the exception of Alberta, I believe every other province does tax — maybe; I'm not sure about BC [British Columbia] — tax restaurant meals. And in fact, pre-COVID the restaurant revenues had returned to a fairly healthy level.

Now what they need is the small-business support that we're giving them. I think many of them qualify for a number of the federal programs. They probably appreciate the fact that we have taken the small-business tax to zero for this year to help them through this very, very difficult time.

[16:30]

And the one thing that I agree with the member wholeheartedly is this is extremely difficult for our hospitality sector as a whole — restaurants, bars, hotels, all. I think that they appreciate the 10 per cent reduction on their power bills, the zero small-business tax, the small-business grant program.

And we are hoping that they will be reopened through the reopening plan. We need people to get vaccinated. We need to get them back full capacity as soon as possible. And that's what they need more than anything is to go back to doing what they do extremely well, which is providing a service to the people of Saskatchewan. That's what they want to see. They want to see a plan of how they can go back to their business.

They all have been impacted by COVID, as have many other businesses. And that's why we were so quick to have a

stand-alone provincial program. I believe it was Saskatchewan and Nova Scotia were the first two provinces that designed a program and had it available for our small-business owners, and we've had it now for a number of months. That is why in this budget that we have zero small-business tax for this year. That is why we have a 10 per cent reduction to their power. And we've tried to help them where we can.

Can we backfill all business income that's been lost? Unfortunately we can't. As the member mentioned earlier, provincially we're borrowing a great deal of money. We are borrowing.

The positive thing is, the number of investment announcements that we've had over the last couple of weeks, but definitely over the last year, has been truly exciting. It will create jobs, and with those jobs will come people coming in for the construction, for the operations, and they'll be eating in restaurants, and they'll be utilizing some of those hotels. So do they want to see us attract that investment and have massive projects that are under way and soon to be operational? I believe they do, and we're going to work very hard to attract those investments.

Mr. Wotherspoon: — I would just leave it stand that this is a time for a really meaningful measure. The addition of the PST really devastated that sector, the highest . . . In fact we've never returned to the numbers that existed pre the imposition of that tax. So we've seen decline and we've seen stagnation on that front. We've seen job loss. This is an important time to fix that mistake and remove the PST.

And just I guess a reminder on the small-business tax rate to zero . . . And I support that; we support that. But right now when you're chatting with a lot of local restaurants, they're not going to have earnings this year. They're in the red; they're scraping by. That's the stress, as I'm sitting with local business owners across Saskatchewan, restaurant owners across Saskatchewan, is the fact that they're not making a profit this year in many cases or it's incredibly slim margins.

So zero per cent of nothing is nothing. I support the zero per cent, but I would urge that it would be foolhardy to suggest to businesses that are on a razor's edge right now across Saskatchewan that that's much of a benefit to them, because it isn't right now. It's measures like the PST that will have real impact in filling those restaurants back up as it's safe to do so, and getting people back to work.

Which takes me to the imposition of the PST onto construction labour. This was another choice that was made that took a slowing economy and really slammed on the brakes, stuck us in recession. And in the case of construction it was in a very challenging situation long before going into COVID. We had of course shed thousands of jobs in that sector. At that point, permits had plummeted.

And now we come through this year of COVID. And I guess if we look at the Stats Canada results that were published just this week, we are the only province in all of Canada that actually have a decline in the value of construction permits, and in a significant way. We have a 12 per cent reduction in Saskatchewan during this past year; meanwhile other provinces have . . . Manitoba had an increase. Alberta had a 27 per cent increase. British Columbia

had a 58 per cent increase. Quebec had a 92 per cent increase. New Brunswick had an 82 per cent increase.

I guess my point to the minister is that it was a mistake to add the PST to construction labour when it happened. It hurt that industry and in many ways it weakened our economy and hurt the finances into the long term of Saskatchewan when folks are put out of work and when investment plummets and people move from Saskatchewan.

My urging to the minister, of course it stands on restaurants that the PST should be scrapped right now. But isn't this the exact time that we should be sending the signal and making the decision to scrap the PST once again on construction labour?

Hon. Ms. Harpauer: — I think the member then must be quite excited that there will be a number of building permits that will change that number substantively. I've read it into the record before, but I would love to do it again, and that is announcements that have been made over the past year of investment in our province, and much about that will create a lot of construction.

But we'll go to the Prairie Lithium Corporation which has two stages producing lithium, hydrogen from Saskatchewan oil field brines. There's Proton Technologies, which is a first-of-its-kind hydrogen production project in the Kerrobert area. There's Benchmark PPE, which has opened a personal protective equipment manufacturing facility, so there was construction. There's Ridgeback Resources, Steel Reef. I go to . . . Highrock Resources Ltd.

Then we have the Richardson International announcement of the canola crush plant in Yorkton. The seed cleaning capital group limited has announced a new facility in Saskatoon. Cargill has announced a new crush plant just outside of Regina. Viterra announced a crush plant as well, just outside of Regina, as well as a state-of-the-art grain elevator at Biggar.

We've got North American Helium Inc., which is the largest helium purification facility, at Battle Creek. We've got Genesis Fertilizers' facility that will begin construction near Belle Plaine. Saskatchewan Food Industry Development Centre, which is going to invest 2.3 million to expand the Agri-Food Innovation Centre. And then most recently is the Saskatchewan Mining and Minerals expansion to upgrade its sodium sulphate plant in Chaplin.

All of that, I'm sure, is going to require building permits, so we're going to see that number improve. As well as our own budget, where we are investing 3.1 billion in infrastructure as a stimulus for recovery and growth going forward. So I'm sure the member opposite is probably quite pleased to hear about that investment, and obviously the confidence in a number of industries in our province.

Mr. Wotherspoon: — Well I'm certainly thrilled with any company making commitments and investing in Saskatchewan. I've worked with many of those companies that have been identified. I have regular conversations with them. I thank them for the investments that are placed. I share those publicly as well, and certainly we need to have an investment climate that has the conditions that allow investment to happen.

And it could be so much more. This PST that's been brought forward has been a real drag on the economy, and with respect to construction and getting people back to work, we really need to allow investment to step up right now. The fact that our GDP's been, you know . . . Basically, even if you look at the forecast of this government, it's going to be stagnant over such a long period of time. That has real consequences for workers in this province and for businesses in this province.

So we'll continue to push to scrap the PST on construction labour. It's an incredibly important economic measure right now to energize this economy. It's important as well to get that economy back on its feet to ensure sustainable finances into the future. We're not going to get our finances back on track by having people out of work. We're not going to have our finances back on track by having people leaving the province. We're going to get our finances back on track by getting our economy back on track.

The minister identified in her comments, maybe to the previous question, a question that I had. She spoke about the SaskPower rebate, and I just wanted to get a little bit more information on the rebate and the distribution of those dollars. So I'm just looking for the total sum of that rebate this year and then a bit about just the breakdown of, from that total sum, what dollar value goes to the different classes of ratepayers — residential, farm, commercial, industrial, and so on.

Hon. Ms. Harpauer: — Just to follow up in something that you commented, and PST in construction is not unusual. Again there's no PST in Alberta, but most provinces have PST on all of construction.

If his theory was indeed fact, which it is not, Alberta should be just booming. Honestly, it should be absolutely booming because not only do they not have PST on labour construction, they don't have PST at all. So there's a whole lot of factors that he's choosing to ignore. He may say that he understands the economy, but obviously this, some of his statements, flies in the face of that because there's so much more to what attracts investment than one small item.

As for his specific question, those details would be with SaskPower. He has every opportunity in the Crown and Central Agencies to ask those questions of SaskPower and the appropriate minister.

Mr. Wotherspoon: — So I want to stay, obviously, within the parameters of the committee, and the intention wasn't to be outside of that. We haven't had every opportunity. We've had actually no opportunity to have the SaskPower minister or the Crowns minister. But the money actually comes from the GRF in this case, right, because this is this rebate. So my question is, how much money is flowing from the GRF? What's the cost of the rebate on this front?

Hon. Ms. Harpauer: — The money flows through Trade and Export, not Finance. And the distribution breakdown, I could be wrong and that minister could correct this, but I believe would be known by SaskPower. I don't know whether TED [Trade and Export Development] would know that.

I was told that Minister Harrison did answer those questions.

Mr. Wotherspoon: — Okay.

The Chair: — Again I would tell Mr. Wotherspoon that we, due to COVID, we did cancel the CCA meeting with the Crowns. Those are questions that you could keep for a later date and they'll get answered by the Crowns. Stay on track, please.

Mr. Wotherspoon: — Well we're trying to all do our part here, and have limited windows to ask some of the questions. I may be . . . and indulge me or, you know, on the other piece here. I will certainly follow up on the SaskPower piece appropriately for that breakdown as well.

Around the piece around connectivity in Saskatchewan, obviously this is something that relates to one of our Crown corporations, SaskTel, which is in an incredible position to act on this front. But something that connects more directly to our finances, actually very directly to our finances, is the dividend of that Crown. And I know groups like APAS [Agricultural Producers Association of Saskatchewan] and certainly we have advocated that now is the time that we really need to make connectivity a priority and we need to put our money where our mouth is. That we need to really, really connect rural Saskatchewan, northern Saskatchewan, including our towns and farms and villages and First Nations.

It's incredibly important for security and quality of life, and presents a tremendous economic opportunity, which also then connects directly back to the finances of the province when you're driving investment, getting people to work. I guess I would urge this minister to advocate for a reduction in the dividend from SaskTel so that they have the capital required in a very focused way to connect Saskatchewan. We didn't see that in this budget. I guess I'd maybe just look to the minister if she has, you know, any comments or commitments on that front moving forward.

[16:45]

Hon. Ms. Harpauer: — So for the sake of the members of the committee and the listening audience — can't say watching audience; I can say listening audience — prior to going to summary financial statements, there was what people deemed, although it's not entirely what explains it, but there was two sets of books. So we used to, the province used to do accounting called GRF accounting, so the General Revenue Fund accounting. And then once a year through Public Accounts, you would see the actual roll-up or the summary financial statements.

There was a time under the previous government where a dividend actually did take place, where money would go from the Crown corporations to the GRF and then it would strengthen the bottom line of the GRF. And it was used — perhaps I'm a little prejudiced — sometimes it was used very wisely; sometimes it was used for a political reason just to shore up the GRF so it looked better than it should or for various other reasons or it was directed to some specialized program.

When we went to summary financial statements, and the Crown corporations then is entirely in our books, a dividend becomes redundant. Because we record the bottom line, be it a profit or a loss, and in the Crown corporations a profit is recorded in the books in totality. So a dividend is not a line item that can be

manipulated in the same manner that it was in the past.

So the Crown corporations come forward with their plan to the Crown Investments Corporation. They have a business plan for the year. They have a capital plan for the year. Executive government does do the borrowing for the Crown corporations for their capital plan. But yes, if they have a Crown activity initiative, then they have it in their business plan that's viewed by their board. And then it will also be reviewed by the Crown Investments Corporation minister and board, and those decisions are made at that level. The roll-up of what they believe or project would be their profits, and expenses comes then to executive government and is incorporated in its entirety into our budget that you all see.

Mr. Wotherspoon: — The point being . . . So I understand summary finances, as the minister knows very well. I've pushed hard on this government when they were non-compliant with public sector accounting standards on this front, and in fact failed an audit — only province in Canada to do so. So summary accounting is important. The point is where the borrowing is at.

And right now we have an initiative that's so important to all of Saskatchewan, that I believe, and other folks like APAS and others believe that it shouldn't just be borne through SaskTel itself, but that the borrowing, that the cost should be something that's across government. And so to ensure that SaskTel has additional capital that they can direct and focus and prioritize on this front and that they're not just having to borrow those dollars themselves, as a Crown corporation they're dealing with capital-to-equity ratios that are challenging here. And if you borrow, you know, a bunch of money in SaskTel on this front, ultimately ratepayers have to cover that.

What we would see here is something transformational, not unlike something of other generations like connecting Saskatchewan through, you know, power or gasification. It's a really important initiative, though important economically, one with returns. So I would urge the minister to be involved in those conversations. Certainly I will be following up with the Crown minister in the appropriate venue when a committee is booked, as well as with SaskTel.

I'd be interested in moving along to an understanding of where the federal fiscal stabilization program's at right now and how it connects to our budget this year. I know this was a program that the province will have been active in discussions around some reform. And I'm wondering, how does the fiscal stabilization program, the federal program, relate to this budget by way of dollars and impact?

Hon. Ms. Harpauer: — The federal government didn't, even though it was unanimously asked by all of the provinces and we spent a lot of time with the various Finance ministers across the country. It was, I think, precedent setting that provinces that would not benefit from it supported the three provinces that would, which was Saskatchewan, Alberta, and Newfoundland and Labrador. And we took that forward, and again it was Minister Morneau at the time. They made some minor changes but did not make the changes that was unanimously asked for, so there is no dollars in this budget anticipated from that program.

Mr. Wotherspoon: — So to clarify, now last year what did we

receive, or did we receive anything in the previous fiscal? And then to just clarify again that there's no anticipation of dollars from the federal fiscal stabilization program in this budget?

Hon. Ms. Harpauer: — I think I know what last year was, but I'm just getting it confirmed before I say it.

Last budget we received 18.6 million.

Mr. Wotherspoon: — Thanks for the information. Certainly not significant dollars. And there's no anticipation of dollars this year?

Hon. Ms. Harpauer: — So it's a two-year lag, but I still . . . because of the way the calculations are done, which is what we had asked. But yes.

Mr. Wotherspoon: — What about . . . Where's equalization in that, in the conversation at right now? I mean obviously this is something that we feel that we're treated unfairly on, and something that as Saskatchewan New Democrats and, you know, when in government and as the official opposition we've been very consistent in stating that unfair treatment and to fight for change. I'm interested in where . . . if the minister can give us a report of her actions and her government's actions in the previous year as far as representing Saskatchewan's interests in pushing and pursuing change on this front, and what that's going to look like in the year ahead.

Hon. Ms. Harpauer: — So supposedly . . . Equalization, I think it's reviewed every five years. And that would have been prior to the previous federal budget, except they haven't had one for two years, so we're going back two and a half years. And we had put forward again changes of what we would like to see that would benefit Saskatchewan, in particular the unfair way that non-renewable resources are calculated in the equalization, and how, in the case of hydro — which is also a great resource — is not included in those calculations, which then translates in the province of Manitoba getting over \$2 billion in equalization.

Yes. And so all of that was put forward. We were told, as provinces, that there would be a consultation process. However that never happened, and we basically found out on their budget day with an omnibus budget that, there it is and thanks for coming out folks. And there was no consultation.

Since that time, as you well know, they don't even entertain the conversation on equalization right now. The federal government . . . and in fairness when, you know, a year from now or a year past, for every reason was totally preoccupied with their different programs to help Canadians and Canadian businesses with the COVID and what was happening with the pandemic. They still are not receptive to having a conversation about equalization.

Through the pandemic the Finance ministers, every week or every second week, have a conference call, all of the Finance ministers across the country along with the federal minister. And that was started with minister Morneau and has been continued with Minister Freeland. However that is not something they want to discuss. And it's a difficult . . . It's difficult to get the support because you get the provinces that are benefiting quite largely from equalization of course don't want to have the conversation either.

Will we continue to pursue changes? Yes, absolutely, because the bottom line is it's a very distorted calculation. It's a very complicated calculation. But you know, if you study the history of it, it has been changed. It isn't impossible, and we'll continue to pursue to get changes. There's been times where resource revenues were accounted for more heavily than other times. And I think in light of what is happening and how we're moving forward, we need that to be looked at and changed.

But have I revisited it since COVID was started? I have not, to be honest with you, other than verbally to maybe mention it. But it's just not well-received on those calls right now.

Mr. Wotherspoon: — I appreciate the information. And without a doubt the resources and focus of all levels of government have really been rightly focused, prioritized around COVID. As we come through COVID and when we are safe and as we've got our economy reopening, I think it's important to get back into important files like equalization. And I would urge the minister to take up that advocacy at the appropriate time in the coming year, as well as around the fiscal stabilization program federally, but certainly around equalization.

Now just a question on equalization. Certainly we haven't had the resource revenues that we had for a period of time. These last few years have been challenging on this front. Are we in a position to be entitled to any equalization in this fiscal or in the coming years?

Hon. Ms. Harpauer: — I'm going to try this and then I might have Rupen correct me because I may totally get it wrong. It's not the revenues bring in; it's the potential of the asset to bring in revenues, which is the problem because you may not . . . you are being credited for revenues that you cannot generate in the market as it is. That's to the equalization.

To the stabilization, the reduced revenues that we need to have in order to qualify is so dramatic that it's very, very difficult for us to ever reach it then to qualify for an equalization payment. So basically both programs work against us even though the revenues from the resources has been down. Do I have to be corrected?

Mr. Pandya: — No, you don't.

Hon. Ms. Harpauer: — Oh, cool.

Mr. Pandya: — Do you want me to add anything to that?

Hon. Ms. Harpauer: — Sure.

[17:00]

Mr. Pandya: — Yes. So, Member, you'll know that we last qualified for equalization in 2007-08. And since that time, essentially the strength in the economy . . . And the minister's quite right. It's called the fiscal capacity cap that essentially reduces our equalization payments. So it's a multi-step process that's used in calculating equalization. On the first step, although we may qualify because of fiscal capacity, the 100 per cent inclusion of resources — our ability to extract resources — essentially we're removed from the equalization role.

There's also kind of other factors with respect to the time lag that's built into the equalization formula. So there's a five-year time lag that's built in. So for '21-22 they're using '17-18 fiscal capacity. So even though you might have had a significant reduction year, you're using fiscal capacity from '17-18 as opposed to in the middle of the pandemic. So '21-22 will register in well six years out, so '26-27 I guess. So it's unlikely for the foreseeable future, based on the current program, that Saskatchewan will receive any equalization payments.

Mr. Wotherspoon: — Thanks for the information. And all the more reason to, when the time is right, to pursue with consistency the changes on these fronts. I know last year I asked the minister if she regretted dropping the lawsuit back in the day, and I know she didn't answer that directly. I won't ask her to answer that question again. But I do think that if we're going to find improvements on this front, consistency and just being, you know, regularly focused on that file is the only way we're going to find progress.

I'd like to shift just a little bit to property taxes in the province. There's been some changes made this year. There's an increase in property taxes in this budget. And there's also changes to the mill rates that have been made by government, as well as I guess the change around the commercial assessment, the shift from the 100 per cent to 85 per cent for commercial properties.

I guess I'd look to the minister to describe the changes to mill rates, and then the impacts for each of those property classes — agricultural, residential, commercial, industrial, and resource — and as well then characterize or profile the impacts of the reduction of the assessment from 100 per cent to 85 for commercial.

Hon. Ms. Harpauer: — Those are all GR [Government Relations] for the property tax.

Mr. Wotherspoon: — The minister is directing us to Government Relations, and that's appropriate. I mean ultimately the increase shows up in the Finance estimates, the increase to property taxes. Am I correct on that?

Hon. Ms. Harpauer: — Yes, it does show up because we collect it. But I can just on a broad — because I don't have those details — just in broad, usually in any given year, we have a little bit of an increase because obviously there was more houses being built or more . . . You know, so every year there's always growth increases. Last year was a re-evaluation year, so that's when there's the readjustment of the mill rates. And so those calculations would have been done in GR and who it impacts on the different classes. So I'd have to redirect it to GR.

Mr. Wotherspoon: — Fair enough. We can follow up there. I mean our concern is that the, you know, sizable impact has occurred on the residential side, but we'll pursue that. We've had some conversation on this over the floor I guess in this Assembly, but we'll pursue it there.

I'm interested around just of course the impact of our economy and our GDP on the revenues of our province. And I know this isn't as easy of a calculation as the impact on oil price or the Canadian dollar or potash price and shipments that we can calculate how much an increase upward, you know, will impact

the budget. But with respect to the GDP, what's 1 per cent of GDP growth estimate by way of revenues for the province of Saskatchewan? So I guess if we beat the budget, the assumptions we have this year, if Saskatchewan is 1 per cent higher than that, what's the fiscal impact for our province?

Hon. Ms. Harpauer: — He said it's going to be a couple minutes yet. Sorry about that.

Mr. Wotherspoon: — By the way, just casually, the pace of the back and forth has been awesome tonight compared to . . .

Hon. Ms. Harpauer: — Yes, I think we can take the record on being able to stay here and answer your questions.

Mr. Wotherspoon: — Yes, so I appreciate that.

Hon. Ms. Harpauer: — Yes.

Mr. Wotherspoon: — You know, I appreciate the . . . and I hope that our economy rebounds in a way far beyond the assumptions that we see this year. In fact I think there's a chance that could happen. I look at some of the private sector forecasts, they exceed what government's forecasts are in this budget. So that would be a really good thing. And so what I was trying to get around to is just, you know, what a 1 per cent increase, if we beat those assumptions by 1 per cent, what's the additional tax revenues, the fiscal impact that benefit. And of course the converse of that is also the case; if, you know, what if we shed, we miss them by a per cent.

But I guess I would say, we've talked about the economy tonight and I've profiled some of the concerning choices that have been made in the last few years on these fronts. But we also are seeing, I guess, the evidence or the impacts of those decisions, and you know, and Saskatchewan's GDP in 2018 was \$87 billion. Now this past year it was \$77 billion in 2020. But your projection for 2021 is that it will be approximately \$80.6 billion with the projected rebound of 3.4 per cent in 2021, and that by the end of the 2022, your forecast is that GDP will reach \$83.2 billion.

Now this is concerning because even considering the pandemic-induced recession last year, we'll have gone almost five years with not only no growth, but with a serious decline, a serious contraction — 87 billion in 2018 to 83 billion five years later. And I guess my question is, is this really what your government is projecting on this front?

Hon. Ms. Harpauer: — Yes. That's what the budget projects.

Mr. Wotherspoon: — I appreciate the minister being direct. I mean it is a concern. We see an economy that's declined seriously over, you know, that five-year period, and that's factoring in the rebounds that are assumed here. I guess my biggest concern is that your government isn't meeting your economic targets or forecasts over the past several years, and it makes, you know, things like assumptions difficult.

But if we look, your government had projected that a real GDP back in 2016-17, the projection was that it would be \$95 billion in 2021, the current fiscal. Yet right now it's projected it will only be 80.6 billion by the end of 2021. Even considering the pandemic last year, your government will have missed targets

from 2016-2017 by almost 17 per cent or \$14 billion. So of course, you know, we can set aside the impacts of the pandemic, as this goes much beyond that. What do you factor in for this poor performance?

Hon. Ms. Harpauer: — You know, the projections always are . . . and definitely data is not as certain as it is normally. But we've seen growth in revenues, growth in the province, and that did plateau for a year. Then of course we're in a pandemic. But I could read you, and you know, I've read it in the record before and I can read them all into the record again, of the confidence that all of the investment bankers have when they reviewed our budget.

There's also the credit rating agencies that have had confidence in our ability to grow, manage our debt. And I can probably talk the clock into reading those quotes into the record. So there is confidence from those that are involved and watch this and study it and analyze it, and those would be the expertise that I look to in their confidence in our projected revenue plan.

[17:15]

You first started mentioning that you hope to see that we do even better than what we're projecting, and I agree. I think a very interesting time for both you and I will be the second quarter. That's when you get some pretty good data, and a good indicator will be the PST because it's real. Like it's in real time. The corporate income tax, of course, goes through the federal government. But I'm quite optimistic that we are going to see it better than what we've been projecting.

But they are projections, and we made projections based on very soft data because we are experiencing something that hasn't been experienced in literally decades and decades.

Mr. Wotherspoon: — Thanks to the minister. We have a big issue in front of us right now for Western Canada, really big for Saskatchewan, and we're going to see how it plays out in the coming days. But right now there's a lot of concern, and that relates directly to Line 5 and the Government of Michigan potentially acting, or indicating . . . Every indication is that they're going to take this line off-line to shut down the flow of that line. That has a significant impact to the Saskatchewan economy and to our producers. My understanding is that the majority of Saskatchewan's energy flows through that line, and so this is causing a lot of stress for our province as a whole, but for an industry that's already faced very serious headwinds and hardship in that last number of years.

It's critical, of course, that we represent Saskatchewan's interests on this front, Canadian interests on this front, also describing the consequences, negative consequences around energy prices that will be also shared by Americans and by those in Michigan on this front. But it's critical from a Saskatchewan perspective, both fiscally and economically. So I hope that, you know, that line keeps flowing, but we don't have that assurance and the deadline is looming.

So I'm wondering, as a government right now, have you estimated the cost from a daily perspective? I suspect you're modelling it in that sort of a way. What's the fiscal cost to the province and the economic cost to the province for every day that

that line would be shut down?

Hon. Ms. Harpauer: — That would be worked on right now from Energy and Resources ministry that watches the pulse of that and does those calculations and then eventually we would get that data. But my shop wouldn't be doing that work.

It's a huge concern. I share that with the member and just would like to throw out a suggestion. It's something that is talked about at the COF [Council of the Federation] table, the council of confederation, so all of the premiers across the country are concerned. And I would say that he should talk to his leader and tell him to have a conversation with Jagmeet Singh, because quite frankly we have to have a federal government that stands up and has some serious conversations with the president of the United States and the governor of Michigan.

And quite frankly, Jagmeet has tended to not be in favour of pipelines at all. And yet he has a lot of influence on the federal government because he could stand up and not vote for some of the things they want, which he's not willing to do. So maybe he could use some of the power that he has and get them to get them motivated to stand up for, not just Saskatchewan, our product is important to all of Canada. So perhaps you could talk to your leader and suggest that he has that conversation with the national NDP leader.

Mr. Wotherspoon: — Not to get into sort of the party pieces too much, but without a doubt I can assure this minister and my constituents and the people of Saskatchewan, I'll always stand up for Saskatchewan's interests and Canada's interests on this front. I've certainly been very clear and direct with the leader of the federal NDP, the previous leader of the federal NDP on these matters, as we will with whatever Prime Minister, as we will in other areas, like when the Conservatives broke their promise around equalization. We'll always stand up for Saskatchewan's interests regardless of what party or what leaders take various positions federally. Certainly for Saskatchewan, for Alberta, for Canada this Line 5 is very important. Access to markets for our energy are very important.

And I know, you know, it's the kind of effort that really we should have an all-party sort of approach, a united approach, in this case a team Saskatchewan approach. And you know, certainly that's my urging. But the decision looms, and it's just a few days away, so I would urge, you know, actions. I'll use my voice to whatever extent I can, but ultimately this needs to be resolved with the governor of Michigan, with the United States. But the impacts are significant for our province.

With respect, the minister identified the second quarter report, and I'm with her; I look forward to that as well because it, especially in this year, it's going to really provide, you know, a lot of information as to what direction the economy is going and where the budget is at. The other report that's an important report . . . Every one of those financial reports are important: the first quarter, the mid-year, the third quarter. They provide a level of transparency and accountability back to Saskatchewan people, an important window into the state of our finances and our economy. And now more than ever when we're accumulating the kind of debt that we are, coming through the kind of unprecedented challenges that we are, I would urge that governments should be as transparent and accountable as

possible.

The minister knows it's been a bone of contention over the past couple of years that the third quarter report has not been made public until the budget's been presented. This really prevents an open, transparent conversation around the state of finances in this province.

So my request or urging or call to the minister is that the third quarter be released independent of the budget next year, and that the government commit to that in years moving forward as a simple measure of transparency and accountability to the people of the province.

Hon. Ms. Harpauer: — Duly noted.

Mr. Wotherspoon: — Thank you, Minister.

Mr. Pandya: — Member, just to return to your earlier question. So 1 per cent increase in GDP would drive revenue by approximately 125 million. So that's based on just looking at the components of revenue that are own-source versus federal transfers, obviously.

Mr. Wotherspoon: — Thank you. Thank you very much for getting that information as well. And the hope is that we can beat the projections in a significant way. And there is some hope with, you know, private-sector forecasts right now that that may manifest.

I'm interested in shifting back to a conversation that I know that the minister knows I've been interested in over the years, and that's around levelling the playing field around commerce, and particularly those e-commerce platforms outside Saskatchewan that, you know, had this unfair advantage and put our Saskatchewan retailers at a disadvantage where they weren't subjected to taxation. Folks like Amazon, the big e-commerce platforms shouldn't have an advantage over a local retailer that's, you know, working hard here in Saskatchewan, probably has a storefront, certainly has staff or paying taxes here in a significant way.

So I've applauded the effort over the last year by this government to act on this front. And I'm just looking for a bit of an update as to the impacts. How are we doing around collecting the revenues that Saskatchewan people are owed from these out-of-province e-commerce platforms?

Hon. Ms. Harpauer: — Okay. So just to maybe tie off the previous comments by the member, we were the only province who released public accounts in June of last year. Other provinces didn't. And we have been very responsive and transparent. Now the other good news is that since we started to pursue collecting tax on electronic platforms, in 2019-20 we collected 35 million, a little over 35 million, and in 2020-21, we a little over 49 million.

So the officials are diligently reaching out and reminding them as they pop up and we know them that they need to be paying this tax, and it's paying off obviously in a very big way. And other provinces are looking at how we're doing it.

Mr. Wotherspoon: — Yes. And I would commend the officials

that have been working on this and thank them. And I don't know exactly what we're collecting right now, how that relates to what we should be collecting but, you know, I continue to extend my appreciation and urging to continue this focus, because it is a matter of equity and fairness for Saskatchewan retailers and their valued revenues obviously.

Back into the budget, the Chair told me I had one more question, unless it's about the Crowns; then he said not the Crowns. So my question is, you know, we've had debates over the years around the deployment of public dollars and how they connect to the Saskatchewan workforce and Saskatchewan companies. Now more than ever, where we're taking on debt in a very significant way to invest in things like capital that are needed, it's critical that we maximize the return for Saskatchewan people, the economic return, the value in that procurement. It's critical that we make sure that we've got Saskatchewan workers and Saskatchewan companies who are engaged in this work, and that we put Saskatchewan first on this front.

Do we have the minister's commitment to make sure that as these dollars, significant dollars get deployed, that we make sure that we're maximizing the return for Saskatchewan people and workers and the province and the budget as a whole by taking a Saskatchewan-first approach?

Hon. Ms. Harpauer: — He uses his last question to ask a SaskBuilds question. I don't have the stats. They're very, very impressive. The SaskBuilds minister does have those statistics on the stimulus dollars and how much was awarded to Saskatchewan companies. And even those sometimes, where they're not necessarily a Saskatchewan company, it was Saskatchewan workers. And you know, we have to respect trade agreements but we are always committed to finding those Saskatchewan companies and giving them every opportunity to bid without telling them they can't bid in other provinces.

The Chair: — Thank you. Having reached the agreed-upon time for consideration of the estimates for the Ministry of Finance, we will now vote on the estimates for Ministry of Finance.

[17:30]

Vote 18, Finance. Central management and services, (FI01) subvote in the amount of \$8,535,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Provincial Comptroller, subvote (FI03) in the amount of 10,191,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Treasury management, subvote (FI04) in the amount of 1,613,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Revenue, subvote (FI05) in the amount of 23,549,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Budget analysis, subvote (FI06) in the amount of 6,657,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Miscellaneous payments, subvote (FI08) in the amount of 5,022,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Pensions and benefits, subvote (FI09) in the amount of \$180,642,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Personnel policy secretariat, subvote (FI10) in the amount of 522,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Research and development tax, subvote (FI12) in the amount of \$5,000,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 2,626,000. Non-appropriated expense adjustments are non-cash adjustments presented for informal purposes only. No amount to be voted.

Finance, vote 18 — \$241,731,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2022, the following sums for the financial amount of 241,731,000.

Do I have a mover? Mr. Nerlien. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Supplementary Estimates — No. 2
Finance
Vote 18**

The Chair: — Supplementary estimates no. 2, vote 18, Finance. Miscellaneous payments on (FI08) in the amount of \$20,000,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Finance, vote 18 — 20,000,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2021, the following sums for Finance to the amount of \$20,000,000.

Mr. Harrison. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Finance — Debt Servicing
Vote 12**

The Chair: — Okay. Finance, 12, debt financing, statutory. Debt servicing, subvote (FD01) in the amount of 500,700,000. There is no vote as this is statutory.

Crown corporation debt servicing, subvote (FD02) in the amount of 15,000,000. There is no vote on this as it is statutory.

Finance — Debt Servicing, vote 12 — 515,700,000. There is no vote as this is statutory.

**General Revenue Fund
Advances to Revolving Funds
Vote 195**

The Chair: — Vote 195, Advances to Revolving Funds, statutory. Advances to Revolving Funds, vote 195 in the amount of zero dollars. There is no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
Municipal Financing Corporation of Saskatchewan
Vote 151**

The Chair: — Okay. Vote 151, Municipal Financing Corporation of Saskatchewan, statutory. Loans, subvote (MF01) in the amount of \$10,000,000. There is no vote as it is statutory.

**General Revenue Fund
Debt Redemption, Sinking Fund and Interest Payments
Debt Redemption
Vote 175**

The Chair: — Vote 175, Debt Redemption, statutory. Debt Redemption, vote 175 is in the amount of 289,450,000. There is no vote as it is statutory.

**General Revenue Fund
Debt Redemption, Sinking Fund and Interest Payments
Sinking Fund Payments — Government Share
Vote 176**

The Chair: — Vote 176, Sinking Fund Payments — Government Share, statutory. Sinking Fund Payments — Government Share, vote 176 in the amount of 193,584,000. There is no vote as this is statutory.

**General Revenue Fund
Debt Redemption, Sinking Fund and Interest Payments
Interest on Gross Debt — Crown Enterprise Share
Vote 177**

The Chair: — Vote 177, Interest on Gross Debt — Crown Enterprise Share, statutory. Interest on Gross Debt — Crown Enterprise Share, vote 177 in the amount of zero dollars. This is no vote as it is statutory.

**General Revenue Fund
Supplementary Estimates — No. 2
Debt Redemption, Sinking Fund and Interest Payments
Debt Redemption
Vote 175**

The Chair: — Vote 175, Debt Redemption, statutory. That's supplementary estimates no. 2. Debt Redemption on vote 175 in the amount of \$379,308,000. There is no vote as it is statutory.

Okay. That concludes our estimates with the Minister of Finance, Minister Harpauer. The committee is going to continue to vote off other estimates. At this time you can take a quick recess while we're finishing the estimates. Before we consider bills we'll have you back. If you and your officials would like to step out, you're welcome to. Thank you.

We're still going, you guys.

**General Revenue Fund
Public Service Commission
Vote 33**

The Chair: — Vote 33, Public Service Commission. Central management and services, subvote (PS01) in the amount of 4,859,000 million, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Human services consulting services, subvote (PS03) in the amount of 9,128,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Employee relations and strategic human resource services, subvote (PS04) in the amount of 7,955,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Human services centre, subvote (PS06) in the amount of 11,778,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of 305,000.

Non-appropriated expense adjustments are non-cash adjustments presented for informal purposes only. No amount to be voted on.

Public Service Commission, vote 33 for \$33,720,000. I will now ask a member to move the resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2022, the following sums for Public Service Commission in the amount of 33,720,000.

Do I have a mover? Mr. Skoropad. Is that agreed?

Some Hon. Members: — Agreed.

**General Revenue Fund
SaskBuilds and Procurement
Vote 13**

The Chair: — Carried. Okay, vote 13, SaskBuilds and Procurement. Central management and services, subvote (SP01) in the amount of \$51,000. There is no vote. It is statutory.

Property management, subvote (SP02) in the amount of 5,606,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Project management, subvote (SP03) in the amount of zero dollars, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Transportation and other services, subvote (SP05) in the amount of \$551,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Major capital asset acquisitions, subvote (SP07) in the amount of \$46,113,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Information technology, subvote (SP11) in the amount of \$23,220,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Provincial Archives of Saskatchewan, subvote (SP13) in the amount of 4,363,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Infrastructure and procurement, subvote (SP14) in the amount of 20,058,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of \$790,000.

Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amount to be voted on.

SaskBuilds and Procurement, vote 13 for \$99,911,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2022, the following sums for SaskBuilds and Procurement in the amount of 99,911,000.

Mr. Jenson. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
SaskBuilds Corporation
Vote 86**

The Chair: — Vote 86, SaskBuilds Corporation, subvote (SB01) in the amount of \$50,000,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. SaskBuilds Corporation, vote 86 — \$50,000,000. I will now ask a member to move the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2022, the following sums for SaskBuilds Corporation in the amount of \$50,000,000.

Do I have a mover? Mr. Keisig. All in favour?

[17:45]

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Gaming Corporation
Vote 139**

The Chair: — Vote 139, Sask Gaming Corporation, statutory. Loans, subvote (GC01) in the amount of zero dollars.

There is no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Opportunities Corporation
Vote 154**

The Chair: — Vote 154, Sask Opportunities Corporation, statutory. Loans, subvote (SO01) in the amount of zero dollars.

There is no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Power Corporation
Vote 152**

The Chair: — Vote 152, Power Corporation, statutory. Loans, subvote (PW01) in the amount of 443,900,000.

There is no vote as it is statutory.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Telecommunications Holding Corporation
Vote 153**

The Chair: — Vote 153, Saskatchewan Telecommunications Holding Corp., statutory. Loans, subvote (ST01) in the amount of 136,400,000.

There is no vote as it is statutory.

**General Revenue Fund
Lending and Investing Activities
Saskatchewan Water Corporation
Vote 140**

The Chair: — Vote 140, Saskatchewan Water Corporation, statutory. Loans, subvote (SW01) in the amount of 6,600,000.

There is no vote as it is statutory.

**General Revenue Fund
Lending and Investing Activities
SaskBuilds Corporation
Vote 197**

The Chair: — Vote 197, SaskBuilds Corporation, statutory. Loans, subvote (BC01) in the amount of zero dollars.

There is no vote as this is statutory.

**General Revenue Fund
Lending and Investing Activities
SaskEnergy Incorporated
Vote 150**

The Chair: — Vote 150, SaskEnergy Corp., statutory. Loans, subvote (SE01) in the amount of \$160,100,000.

There is no vote as it is statutory.

Committee members, you have before you a draft of the first report on the Standing Committee on Crown and Central Agencies. We require a member to move the following motion:

The first report of the Standing Committee on Crown and Central Agencies be adopted and presented to the Assembly.

Do I have a mover? Mr. Jenson. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. We will now take a recess for 10 minutes and committee members we will reconvene to finish the bills.

[The committee recessed for a period of time.]

The Chair: — Okay, I'd like to welcome everybody back. Committee members, we will now be moving on to consideration of bills. The bills this evening are Bill 32, *The Vapour Products Tax Act*; Bill No. 33, *The Tobacco Tax Amendment Act, 2021*; Bill 34, *The Fuel Tax Amendment Act, 2021*; Bill 35, *The Income Tax Amendment Act, 2021*; and Bill No. 36, *The Provincial Sales Tax Amendment Act, 2021*.

Bill No. 32 — *The Vapour Products Tax Act*

Clause 1

The Chair: — We will now be considering Bill No. 32, *The Vapour Products Tax Act*. We will begin our considerations of clause 1, short title. Minister Harpauer, please make your

opening comments.

Hon. Ms. Harpauer: — Thank you, Mr. Chair. I do not have any additional comments to make that wasn't made in the legislature. I'll just open it up to questions.

The Chair: — Questions. Mr. Wotherspoon.

Mr. Wotherspoon: — Thank you so much. As we've said on the record, we've called and support vaping being treated like smoking with uniform regulations and enforcement. Certainly, you know, vaping rates are high in Saskatchewan, especially among youth, so it's important to factor that in. I understand this is a new tax of 20 per cent on the retail price of vapour liquids, products, and devices, and in additional provisions it also requires the licence for a vendor. Now I guess one question: does a vendor need a licence for tobacco, to sell tobacco?

Hon. Ms. Harpauer: — Yes.

Mr. Wotherspoon: — Another question here. How do these tax rates compare to other jurisdictions?

Hon. Ms. Harpauer: — So for those that do tax vape products, it is the same. They're all 20 per cent.

Mr. Wotherspoon: — And are these dollars earmarked for any sort of efforts around suppression or addressing overuse of vaping in the province?

Hon. Ms. Harpauer: — No, we haven't dedicated it to something specific.

Mr. Wotherspoon: — I don't have any further questions at this point.

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

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

Clause 2

The Chair: — Clause 2. I recognize Mr. Jenson.

Mr. Jenson: — Thank you, Mr. Chair:

Clause 2 of the printed Bill

Amend subsection (1) of clause 2 of the printed Bill by striking out the definition of “**e-substance**” and substituting the following:

“**e-substance**” means a solid, liquid or gas that, on being heated, produces a vapour for use in an e-cigarette, regardless of whether the solid, liquid or gas contains nicotine, but does not include:

- (a) cannabis as defined in *The Cannabis Control (Saskatchewan) Act*; or

(b) a heated tobacco product as defined in *The Tobacco Tax Act, 1998*”.

[18:00]

The Chair: — Do committee members agree with the amendment as read?

Some Hon. Members: — Agreed.

A Member: — I have questions on it.

The Chair: — Go ahead.

Mr. Wotherspoon: — So the amendments, I appreciate that the minister identified to me a few days back that they were going to be coming here. I haven't had a chance to really look at them and understand what the . . . So what are we excluding? It's cannabis juice? Or what's the . . .

Hon. Ms. Harpauer: — Yes. So we had of course made our budget decision and had the legislation drafted prior to the federal government introducing their budget. In their budget they were also going to tax vapour products, but they're excluding cannabis juice. And so for ease for our business owners sort of having a number of different levels of taxations, we thought we would duplicate what the federal government is taxing, and we'll exclude the cannabis juice.

Mr. Wotherspoon: — And how are other jurisdictions dealing with cannabis juice?

Hon. Ms. Harpauer: — So British Columbia was the only one who had a previous tax. And they do tax it?

Mr. Pandya: — That's correct.

Hon. Ms. Harpauer: — They do tax it. The other provinces, I think there's two or three that are introducing this, probably will do the same as we are. We don't know yet.

Mr. Wotherspoon: — Do you know what kind of revenues we'd be talking about off the juiced cannabis?

Mr. Pandya: — Yes, so it's a little bit difficult for us to be forecasting revenue on e-juice cartridges and devices. So we think the market's about 16 million annually, although the trade that occurs out of convenience stores and gas stations is a little bit difficult . . . It's kind of like the early days of cannabis. We didn't quite know. We had to wait until we got the data.

So prior to this amendment we were forecasting 2.3 million in revenue from this measure. And now we've adjusted that to 2.2 million. We're accounting for about 100,000 of cannabis e-liquids that would drop out because of the alignment with the federal legislation.

Mr. Wotherspoon: — So about \$100,000 is what the pulling the juiced cannabis out. So I would assume that this doesn't prevent you from acting moving forward, so you can kind of observe the landscape and how this industry develops as well. But the choice right now is, as you've described, is to have some consistency with how the federal government's going at this at this time.

Hon. Ms. Harpauer: — That is correct.

Mr. Wotherspoon: — Nothing would stop you if it was felt that it was the responsible thing to do to act on this front, and doing so independently at some point with legislation?

Hon. Ms. Harpauer: — Right. We would have to come back of course for the legislative change. But if there is indication that this was not a wise decision, we can always come back.

Mr. Wotherspoon: — And in that amendment, was there something else that was also . . .

Hon. Ms. Harpauer: — We need to get to the clause. There is another amendment and it's . . .

Mr. Wotherspoon: — But in this amendment that was read it was just the juiced cannabis.

The Chair: — Mr. Wotherspoon, I'll read it now.

Mr. Wotherspoon: — Okay.

The Chair: — We have a proposed amendment to clause 2, moved by Mr. Terry Jenson:

Amend subsection (1) of clause 2 of the printed bill by striking out the definition of “**e-substance**” and substituting the following:

“ ‘**e-substance**’ means a solid, liquid or gas that, on being heated, produces a vapour for the use in an e-cigarette, regardless of whether the solid, liquid or gas contains nicotine, but does not include:

(a) cannabis as defined in *The Cannabis Control (Saskatchewan) Act*; or

(b) a heated tobacco product as defined in *The Tobacco Tax Act, 1998*”.

Is clause 2 amended agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 2 as amended agreed to.]

[Clause 3 agreed to.]

Clause 4

The Chair: — Clause 4. I recognize Mr. Jenson.

Mr. Jenson: —

Clause 4 of the printed Bill

Amend subsection (5) of Clause 4 of the printed Bill by striking out “or suspension”.

The Chair: — Trent, do you have any questions on the

amendment?

Mr. Wotherspoon: — Maybe just a question as to, you know, what this means.

Hon. Ms. Harpauer: — I know that it was . . . When we asked for the original amendment, our legal advice was to change this one word by Justice. But we'll get the technical explanation in one moment.

Mr. Pandya: — The answer to the question is that this clarifies that and avoids the automatic cancellation of other licences if a vape licence is suspended or cancelled. So this suspension would involve all cannabis licences and not just the vapour product tax licences. And it was asked for by SLGA [Saskatchewan Liquor and Gaming Authority]. So it just clarifies that the cannabis piece is separate still.

Mr. Wotherspoon: — Thank you very much for that. So you've been clear as to who's called for that change. Just as a quick follow-up, who advocated for the change on the other front with respect to the juiced cannabis?

Hon. Ms. Harpauer: — The manufacturers of the juice notified myself. I'm not sure who notified the ministry . . . [inaudible] . . . Okay. The Saskatchewan cannabis council.

Mr. Wotherspoon: — Thanks for the information.

The Chair: — Okay. We have a proposed amendment in front of us:

Clause 4 of the printed Bill

Amend subsection (5) of Clause 4 of the printed Bill by striking out "or suspension".

It was moved by Terry Jenson. Do committee members agree to clause 4 with the amendment? Agreed. Carried.

[Clause 4 as amended agreed to.]

[Clauses 5 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 Vapour Products Tax Act*.

I'd ask a member to move that we report Bill 32, *The Vapour Products Tax Act* with amendment. Mr. Nerlien moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 33 — *The Tobacco Tax Amendment Act, 2021*

Clause 1

The Chair: — We will now be considering Bill No. 33, *The Tobacco Tax Amendment Act, 2021*. We will begin consideration of clause 1, short title. Minister Harpauer, please make your

opening comments.

Hon. Ms. Harpauer: — So very, very briefly, a new heated tobacco products category is being introduced with a tax rate of 20.5 cents per unit. This category will provide Saskatchewan with the ability to tax heated tobacco products at a higher rate than the current 27 cents per gram, but at a lower rate than traditional cigarettes to account for the slight health advantage to these products over traditional cigarettes.

The Chair: — Mr. Wotherspoon, any questions?

Mr. Wotherspoon: — Sure, thanks so much. You know again, I think we're on the record here that we've been advocating for this sort of treatment of vaping from a health perspective. Just to get a sense of the consultation on this bill, and who's been proponents or advocates for the changes that have been brought forward, if the minister can summarize some of that.

Hon. Ms. Harpauer: — The Canadian Cancer Society would be who advocates. This isn't a juice or a vapour; it's that heat-not-burn. It's not a very widely used product in Saskatchewan.

Mr. Wotherspoon: — Thanks for that information. I notice, I know that our Health critic has asked the question in sort of an open way while this legislation was open to say that, you know, that tobacco taxes haven't changed in the last four years. Meanwhile the retail price has gone up significantly, and many other provinces have made some increases there from a health perspective. Is this a time, or is your government looking to act on this front from a health perspective?

Hon. Ms. Harpauer: — We have fairly strongly in the past. We're one of the highest in the country. Sometimes the increases on the retail side is the federal government then increasing their tax and it gets confused as to why they're making their increase. It wasn't considered at this time.

Mr. Wotherspoon: — And has there been proper consultation to ensure that changes in this legislation don't infringe on treaty rights?

Hon. Ms. Harpauer: — First Nations peoples are not subject to tobacco tax on reserve.

Mr. Wotherspoon: — And there's not a change on that front? I don't have any other questions at this point. Thank you, Mr. Chair.

The Chair: — Thank you. We will move on to clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 9 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:

The Tobacco Tax Amendment Act, 2021.

I would now ask a member to move that we report Bill No. 33, *The Tobacco Tax Amendment Act, 2021* without amendment. Do I have a mover? Mr. Harrison moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 34 — *The Fuel Tax Amendment Act, 2021*

Clause 1

The Chair: — We will now be considering Bill No. 34, *The Fuel Tax Amendment Act, 2021*. We will begin our considerations of clause 1, short title. Minister Harpauer?

Hon. Ms. Harpauer: — So in this Act, a new 150 annual fee is introduced at the time of registration of passenger electric vehicles registered in Saskatchewan. Effective October 1st, 2021, the new fee will be administered by Saskatchewan Government Insurance and collected in full each year at the time of the vehicle's registration renewal date.

[18:15]

The Chair: — Questions? Mr. Wotherspoon.

Mr. Wotherspoon: — Well you know, I think we've been pretty clear where we stand on this legislation, this change, this tax hike, Mr. Chair. And you know, I should make sure to place some of that onto the record here.

You know, this is a regressive and foolish tax hike that just defies common sense, you know, and it's just . . . I think it's largely symbolic of this government's approach to climate change and their failure to act in practical, common sense ways that can secure good jobs, that can secure investment, that can reduce emissions in affordable ways.

And the consequence of the approach of this government, in a broader sense, is that Saskatchewan people really are missing out on some important investments that could be made, that could be creating jobs today. We think of, you know, we think of renewable energy and energy efficiency measures across the province, and so what we have is a province that are really being laggards on this front. And you know, this is a regressive gesture — I suspect politically motivated — but just, you know, reflective of the approach of this government on many fronts.

My question maybe to the Finance minister is, who did she consult or her government consult on this front?

Hon. Ms. Harpauer: — We didn't consult on this front. What we looked at was the fact that there's significant revenue that is collected for road maintenance and renewal, 478 million I believe in this budget alone. And moving forward, that is going to be displaced more and more with the shift towards electric vehicles. The intent of the excise tax on fuel, of course, is to contribute to the wear and tear on our roadways, and there becomes a fairness issue on some vehicles creating that wear and tear on the roadways and others are not.

So it was in that light that we decided to move forward and start the conversation of how we deal with that shortfall that's going to be increasing in nature. We did not view it as a deterrent for anyone to buying an electric vehicle. It is very insignificant when you look at the total cost of the vehicle itself. So we do not see it as a determining factor. I can't imagine anyone looking at buying one of these vehicles, that \$150 would make or break their decision.

There is, you know, in doing a little bit of research on it of course there are 19 US [United States] states that have moved in this direction with varying annual fees of 50, some 50 up to \$200 including the state of California which, albeit I think everyone in this committee can acknowledge is very environmental conscientious, but they also realize that the fuel or the road users all contribute to that maintenance and renewal of the roadway. It's a separate conversation quite frankly of . . . this maintenance of roadways is helped or contributed to by roadway users to environmental initiatives. And we could probably be here for many hours if we wanted to have an environmental debate, but to me they are two different conversations. This will not deter . . . It won't be a determining decision by an individual or a family to purchase one of these vehicles, and I do foresee that we're going to see more.

What will help encourage them more, just for the member opposite, more purchases of electric vehicles quite frankly will be to have more charge stations. And I do fully acknowledge that we are, you know, we don't have a lot here in the province. And that to me is a much, much bigger factor that someone who's interested in purchasing an electric vehicle is going to look into, more than the \$150 a year.

So having said that, I will inform him that SaskPower applied for funding from Natural Resources Canada and has been accepted for funding to start to increase the number of charge stations that are available within our province. As well as the company Tesla, I believe, is investing some money in that initiative as well. And that, in my mind, is what's going to shift consumers into moving towards electric vehicle more so than this fee that all road users are contributing to.

Mr. Wotherspoon: — Thanks for the information from the minister. The cost of an EV [electric vehicle] is at a price point that's beyond many vehicles at this point right now. So as far as the fiscal impact to the province with the PST that's in place, if you're paying 6 or 7 or 8 or \$10,000 more for that vehicle, certainly with the PST that's applied to a new vehicle purchase, the province already gets a significant chunk of change on that purchase. And you know, it should be looking to make sure that some of that infrastructure is in place.

The minister mentions California but, you know, doesn't identify that there's also been many incentives over the years on that front. And also, as the minister did identify, road infrastructure charging stations and whatnot that really support EVs within that state. I'd be interested in what the minister's estimates are as far as the number of EVs on the road in the out years. I know right now we have about 400 EVs. I'm wondering if she has any market data or assumption that she's operating on at this point.

Hon. Ms. Harpauer: — We don't.

Mr. Wotherspoon: — Well I guess, again I know that, you know, this just sends a . . . You know, it's a purely political gesture here. The change in the law will have cost far more than the dollars that it's going to collect. As I identified already, anyone going out and buying an EV already pays, you know, a hefty price tag for that purchase, and the dollars flow back to the province of Saskatchewan on that front.

And it's really, you know, really what this legislation is, is consistent and in keeping with the Sask Party government's approach around climate change, which is to not be practical on these fronts, which is to fail to act in ways that are common sense and that allow us as a province to act in responsible ways to reduce emissions in a way that we need to, but to create jobs and opportunities as well.

So I mean, it's a disappointing approach from the government. Not a surprise. We're well on the record here tonight. I guess I'd . . . have you . . . Maybe if you could just share with us who you've heard from with respect to this legislation as far as concerns.

Hon. Ms. Harpauer: — I heard from the association — I didn't know there was one, but there is — and several EV owners.

Mr. Wotherspoon: — Well we're certainly against this legislation. You're not taxing bikes, are you?

Hon. Ms. Harpauer: — They don't have the same impact on the roadways.

Mr. Wotherspoon: — Oh.

Hon. Ms. Harpauer: — They also don't . . . [inaudible] . . . fuel.

Mr. Wotherspoon: — I don't have any further questions. I think it's well on the record that we're not supportive of this regressive piece of legislation.

The Chair: — Thank you. We'll move on to 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 the following: *The Fuel Tax Amendment Act, 2021*.

I would ask a member to move that we report Bill 34, *The Fuel Tax Amendment Act, 2021* without amendment. Mr. Skoropad moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 35 — *The Income Tax Amendment Act, 2021*

Clause 1

The Chair: — We will now move on to Bill No. 35, *The Income Tax Amendment Act, 2021*. We will begin our consideration of clause one, short title. Minister Harpauer, your opening comment?

Hon. Ms. Harpauer: — *The Income Tax Amendment Act* implements income tax initiatives to be announced as part of the budget. The legislation also repeals provisions which are no longer applicable, streamlining and clarifying other provisions, and amending provisions that have been requested by the Canada Revenue Agency to ensure consistent and effective administration of taxes.

So the budget initiative that's in this changes . . . it reintroduces the active families benefit, which provides eligible families with a benefit of up to \$150 annually per child for fees paid to register children and youth in sports, recreation, and cultural activities.

The Chair: — Mr. Wotherspoon, do you have any questions?

Mr. Wotherspoon: — Thanks, Mr. Chair. The \$150 — up to 150, that's the maximum benefit here — that's a rebate, not a deduction, correct? Or a credit?

Mr. Pandya: — It's a refundable tax credit. And the maximum is 150, unless you're also eligible for the disability tax credit. Then you'll get another \$50.

Mr. Wotherspoon: — And the threshold around income, is it individual income at 60,000? Or household income at 60,000?

Mr. Pandya: — Household income of 60,000.

Mr. Wotherspoon: — And so if someone has a household income of \$60,000, this benefit isn't something they'd be eligible for.

Mr. Pandya: — If they have greater than \$60,000, yes, of household income.

Mr. Wotherspoon: — You know, I guess, a couple things. You know, a \$60,000 household income still leaves families often with a lot of tough choices and a lot of pressure, so the threshold certainly may be low. I've registered remarks in second reading or in adjourned debates with respect to just the importance of making sport and recreation and culture and the arts and music accessible to as many as we can, and this is one measure that will aid some in doing so. And that's positive.

But you know, I think there's so much more government can do with very minimal dollars that can go a long ways in providing opportunities for young people. And I think those investments — I know it through my own life and work as a coach and a teacher and working with young people at risk, when young people are able to attach to healthy, sustainable recreation that includes sport or music or culture or arts, it has such a profound positive impact in their life — that I think the return on investment, if you will, would be huge in making sport and recreation and all these things more accessible.

This measure is a positive measure. It doesn't go the distance that we could with some other measures, but you know, I'm glad to see it back. It was in place by your government and then scrapped a few years back. Now it's back again. I guess, just what went on there?

Hon. Ms. Harpauer: — Well fiscal pressures went on there when our revenues declined dramatically with what happened in oil and gas.

[18:30]

Mr. Wotherspoon: — I think, you know, certainly households have endured financial pressures too. It's good to see this measure, that will be utilized by many in the province, in place. You know, consistency with that would be ideal. It allows families to plan from year to year with some predictability.

Now this bill, does it do a few other things here? Does it do something around the tech start-up incentive and the emergency wage subsidy? . . . [inaudible interjection] . . . No problem.

Hon. Ms. Harpauer: — So what it does for the tech start-up incentive — and I apologize because I didn't flip the page for the rest of my notes — it extends the program for five years. And that's in response to feedback that we received from the sector and the intent of making the program more effective so that it extends it for five years. And the amount that's eligible, technology start-up business can raise under the program, will double from 1 million to 2 million. The annual cap of 2.5 million per year is established on the maximum value of tax credits that can be issued and the carry forward period to claim an unused tax credit increases from four years to seven years.

Mr. Wotherspoon: — Just with respect to the measures around the tech sector start-up incentive, this is such an exciting space and an impressive and dynamic space in the province. And so many . . . a lot of opportunity. A lot of really good people in this ecosystem making some really good things happen. So I'd like to, you know, recognize all those efforts.

And so we would see this as an important measure and a very important sector to support. I guess, I would just want to get a . . . capture a bit as to the consultation that's gone on with this measure. It's important we get, you know, measures like this right and have those that are directly involved in the space involved in building measures like this.

Hon. Ms. Harpauer: — So the request came from Innovation Saskatchewan and they're the officials that would have done the consultation with the tech start-up companies. It wasn't done by Finance.

Mr. Wotherspoon: — Well, I'd just like to put on the record a thanks to those that are involved. As well, this is a dynamic industry. We want it to thrive in Saskatchewan. There is some competition on this front. We'd love to outperform. As much as we love our neighbours, we'd like to outperform, you know, our provincial partners on this front.

And with the kind of talent and people and organizations and structures that are in place, with a bit of support and nimble policy, we're in a good position to do that, which can — if we

succeed — can create some exceptional opportunity for workers and businesses in this province.

And I would invite anybody in that sector to . . . You know, I've heard from many on this front already and that this is an important measure. But I'd invite folks to stay engaged with their government, with the Finance minister, with myself, with all members of the Assembly to be talking to us about the kinds of tools and conditions that will allow this sector to thrive.

Moving along just a bit, could you just identify again what the changes are around the emergency wage subsidy in this legislation?

Hon. Ms. Harpauer: — Before I do that, I'll just . . . I was given the statistics. And I know I had seen them, but I didn't have them in front of me.

In speaking to what you just said of the effectiveness of this program, so 22 million in private investment has been attracted, leveraging \$3.4 of investment for every \$1 of tax credit approved. One hundred and forty-four new jobs has been created by start-up companies under this program. One hundred and eighty-four investors and 62 tech companies have been approved to raise capital. So it is exciting.

You asked on . . . Now I have to go back to your question. I'm sorry.

Mr. Wotherspoon: — No problem. Yes. No, just to add on to your comments there. I appreciate the numbers that you've shared and the return on investment. And it seems almost every day we're tracking some really positive things that are coming together out of this space, and so much as well.

You know, I'm proudly the agriculture critic as well. And when you look at ag tech and how we're positioned in Saskatchewan, it's exciting that we're going to . . . that we're positioned to take a, you know, world-leading role on this front and in that space. And I think ag tech is going to be a space specifically that's going to be exciting to watch in the year ahead. And I'd encourage, you know, those that are involved in it and to thank them for their efforts.

But the question moved along to the changes around the federal emergency wage subsidy.

Mr. Pandya: — This amendment ensures that Saskatchewan's withholding rules do not apply to the Canada emergency wage subsidy. So *The Income Tax Act, 2000* contains rules that provide for withholding taxes in accordance with the federal *Income Tax Act*.

For example, employers are required to make withholdings of tax when making payments of wages or bonuses to employees. The change CRA [Canada Revenue Agency] has requested ensures that new federal subsections 153(1.02) to 153(1.04), which addresses the federal emergency wage subsidy, are not affected by Sask's withholding rules. And this change comes into force retroactive to March 25th, 2020.

Mr. Wotherspoon: — Thanks for that information. And I don't have any more questions on that piece.

I know that this bill also repeals the film employment tax credit and I know of course the film employment tax credit was eliminated in 2012, I think, so about eight years ago at this point. I guess I just would want to reiterate the huge concern with the choice at that time which really did devastate an industry, drove away investment, drove away jobs, drove away Saskatchewan people.

And an industry that has thrived in other jurisdictions, even right next door in Manitoba and right next door in Alberta. Right across Canada, we've really seen a boon on this front. The Canadian dollar created conditions where investment really poured into Canada at this time in other provinces. Meanwhile Saskatchewan was shut out because of something that was, you know, really a regressive and short-sighted move that decimated an industry.

And I recall back in 2012 when that move was made, we had a strong position as a province at the time. We had a strong balance. We had a strong financial position by way of revenues. Our resource sector was in good shape. And it just defied common sense that a government would choose to be less than more, or to present less opportunity to Saskatchewan people. And it along with other choices have caused our economy to be weakened, less resilient, and again I know directly drove many people out of this province in the pursuit of employment and opportunity.

So I would just leave with the minister — as I know she probably finds I'm a bit of a broken record on this front — but the opportunity still exists. This is something that should be revisited. We shouldn't be repealing it from the legislation. We should be rebuilding a film industry.

Just across the lake we have a world-class sound stage that sits largely idle, that we could be putting to use. And the world would be lining up in this sector to film in Saskatchewan, bringing with them that investment that flows not just into the workers directly in film but to the hospitality sector which really booms from this sector. Our restaurants that are in a hard way right now, our hotel sector that's in a hard way would really benefit from it. Right through to the lumberyards and the vehicle sales, the car lots and everybody, so many others that connect.

And it's not just in Regina. It's certainly important to Regina, but the film industry was important to all of Saskatchewan. I often say it made us proud, but it also made us millions of dollars. And so I see it's being eliminated here tonight as far as being referenced in *The Income Tax Act*. It's unfortunate that there weren't measures in this budget to rebuild the film industry, create jobs, investment, make us proud, make us dollars. I'll leave it there.

The Chair: — Thank you. Thank you, we'll move on to Bill 35, clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 10 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts the following: *The Income Tax Amendment Act, 2021*.

I would ask a member to move that we report Bill 35, *The Income Tax Amendment Act, 2021* without amendment. Mr. Jenson moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 36 — *The Provincial Sales Tax Amendment Act, 2021*

Clause 1

The Chair: — We will now consider Bill 36, *The Provincial Sales Tax Amendment Act, 2021*. We will begin our consideration of clause 1, short title. Minister Harpauer, your opening comments.

Mr. Wotherspoon: — Thought we were done.

Hon. Ms. Harpauer: — We have one more. So in essence we're making some changes to strengthen our ability to collect tax on out-of-province businesses. Additional legislative changes are now proposed to ensure that as a vendor or a vendor's agent, marketplace facilitators, electronic distribution platform providers, and accommodation platform providers when collecting the payment from Saskatchewan consumers are also required to collect and remit the PST on all sales made through their marketplace or platform.

And I know you asked some questions on that in the budget deliberations as well. This just strengthens it because some of them find wiggle room to duck and dodge, if you will, and so we strengthened it further.

The Chair: — Mr. Wotherspoon, question?

Mr. Wotherspoon: — Thank you very much. Certainly this flows directly from the body of work that we were talking about earlier and levelling the playing field, making sure that we have taxation fairness for Saskatchewan businesses and that we're collecting from those out-of-province platforms. So is there anyone specific that this will capture that you could share with us that wasn't able to be captured before on the taxation front?

Mr. Pandya: — So this change in legislation will just capture all third parties that are also selling goods on the platforms of the major e-platform distributors. So you know, just imagine any of the major online retailers, they'll also have third-party providers who you can buy goods from, and because the legislation wasn't specific, those were falling through the cracks. And so as the Minister said, this ensures that the platform manager is responsible for collecting tax on behalf of those third-party providers.

Mr. Wotherspoon: — Thanks. That was my understanding in the read of the legislation. And as I mentioned before, I want to thank those that have been involved in the work in the ministry. It's important again to make sure that our retailers and our

Saskatchewan small businesses and entrepreneurs, that they have a level playing field and that it's not an unfair advantage that these large out-of-province e-commerce platforms have. So an important levelling of the playing field.

The change around the vapour products, that's as a result of the other legislation that's been brought forward in the taxation of vapour products. Is that correct?

Hon. Ms. Harpauer: — Correct.

Mr. Wotherspoon: — I would look to the will of the committee. The folks know where we stand on this. I would maybe gauge . . . I'd be willing to bring an amendment right now to remove the PST off construction labour and restaurants . . . [inaudible interjection] . . . I'm not . . . I'm all serious here. I mean this is what this . . . You know, we could do something really impactful here. I'm looking to the members opposite. I'm one member in this committee. I'm looking to my . . . I can write it as a formal amendment, or you can signal to me whether or not you'd be supportive of that.

A Member: — We would not be supportive of that.

Mr. Wotherspoon: — It wouldn't be that difficult to move forward as an amendment, would it?

[18:45]

The Chair: — Usually we do it in advance.

Mr. Wotherspoon: — Maybe just to gauge, the Chair then, I guess, if you can kind of put the question out fully, get it written out here. Would there be support in me bringing forward this important measure for the construction industry and restaurants?

The Chair: — Is there any interest in bringing the amendment forward on the construction amendment?

A Member: — No.

The Chair: — No?

Some Hon. Members: — No.

Mr. Wotherspoon: — Okay. So I don't hear the support there. And I'm one member, so obviously I would bring it and vote for it. But I'm looking to the members opposite who are telling me they won't support that.

I do think that this would have been the kind of Act that we could have brought forward, a really meaningful measure around the elimination of the PST on construction and the elimination of restaurant meals.

I'll leave it there. I know the minister knows where we stand on this, and I know members opposite do as well. I don't have any further questions at this point.

The Chair: — Thank you. We'll move on to clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 7 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts the following: *The Provincial Sales Tax Amendment Act, 2021*.

I would ask a member to move that we report Bill 36, *The Provincial Sales Tax Amendment Act, 2021* without amendment. Mr. Keisig moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. That concludes our business for this evening. Minister Harpauer, do you have any final comments?

Hon. Ms. Harpauer: — I do. Thank you, Mr. Chair. And I want to thank the committee members for being here tonight, for being here for very important estimates, as well as the passing of five pieces of legislation. For the member from the opposition party, I want to thank him for his questions. I think we probably covered more ground than many committees did. It rolled along fairly smoothly.

I would be remiss if I didn't thank my deputy minister and all of the virtual officials that have been there behind the scenes, literally out of sight, giving us information. I truly have a fabulous team in the Ministry of Finance. I don't look at them as officials. I look at them as a team. And they have worked harder than ever through a very difficult year, where it was difficult to get the data that they needed when they're distanced themselves. And they got programs up and running in an amazing short period of time, and cheques out to businesses across the province that needed that support right away. So I really, truly want to thank the officials in Finance for their hard work.

The Chair: — Thank you, Minister. Mr. Wotherspoon, do you have any closing comments?

Mr. Wotherspoon: — Thanks so much, Mr. Chair. I just want to say thank you. First to the minister, thanks for your time here tonight. I know we had some differences, some strong differences in certain places. But what I do want to say thank for is the timely responses and exchanges in this committee. And that makes these committees work in a more efficient, effective way. So I really appreciate that.

And to the deputy minister and to your entire team, all those folks that have been working tirelessly throughout this year and that continue to and that are connected to that work here tonight during unprecedented challenges, and at times where you've built programs in a way that have been quicker than probably have ever been built before because they needed to be built in that way, I just say thank you very much for your service to the people of Saskatchewan.

Mr. Pandya: — Thank you.

The Chair: — I would ask a member to move the motion of adjournment. Mr. Nerlien has moved. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned to Thursday, May 13th at 9 a.m.

[The committee adjourned at 18:49.]