



# **STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES**

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## STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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Ms. Erika Ritchie, Deputy Chair  
Saskatoon Nutana

Mr. Steven Bonk  
Moosomin

Mr. Daryl Harrison  
Cannington

Mr. Terry Jenson  
Martensville-Warman

Mr. Greg Lawrence  
Moose Jaw Wakamow

Mr. Dana Skoropad  
Arm River



[The committee met at 17:04.]

**The Chair:** — Welcome to the Standing Committee on Crown and Central Agencies. My name is Terry Dennis. I am the Chair of the committee. And with us today we have Mr. Daryl Harrison, Mr. Terry Jenson, Mr. Greg Lawrence, Mr. Dana Skoropad. Ms. Aleana Young is in for Erika Ritchie, and we have Hugh Nerlien sitting in for Mr. Steven Bonk.

I'd like to advise the committee members that pursuant to rule 148(1), the supplementary estimates for Health were committed to the Standing Committee on Human Services on November 30th, 2021. Vote 18, Finance; vote 153, Saskatchewan Telecommunications Holding Corporation; vote 140, Saskatchewan Water Corporation; and vote 175, Debt Redemption.

**General Revenue Fund  
Supplementary Estimates — No. 1  
Finance  
Vote 18**

**Subvote (FI08)**

**The Chair:** — We will now begin our consideration on 2021 supplementary estimates no. 1 for the Ministry of Finance, vote 18.

Minister Harpauer is here with her officials. Before we begin, I'd like to ask the officials to please state their name before speaking into the microphone. As a reminder, please don't touch the microphones. The Hansard operator will turn your microphone on when you're speaking to the committee.

Minister, please introduce your officials and make your opening remarks.

**Hon. Ms. Harpauer:** — Good evening, committee members. The officials that are with me tonight are, to my left is my deputy minister, Rupen Pandya. And behind me I have assistant deputy minister, revenue division, Nancy Perras, and assistant deputy minister, corporate services and office of planning, performance and improvement, Karen Lautsch.

The supplementary estimates cover emergency payments to the small businesses who submitted applications after April 1st, 2021. The extended support was available to businesses across the province that were ordered to temporarily close or substantially curtail operations due to the public health orders that were in place at the time, particularly serving those businesses in the Regina region that were most impacted by the third wave of the COVID-19 pandemic in Saskatchewan.

This funding was available to casinos, bingo halls, and gaming centres province-wide; businesses who were required to close during the eligibility period due to COVID-19 in the workplace; Regina-region restaurants, bars, and taverns that were mandated to close to on-site seating and only provide takeout and delivery services; and Regina-region bowling alleys, car shows, conference facilities, racing and rodeo facilities, galleries, museums, banquet and community halls, libraries, live theatres, movie theatres, arcades, performing arts facilities, trade shows,

science centres, and auctions who had been mandated to close.

The budget included \$1,000 for the Saskatchewan small-business emergency payment, known as SSBEP, and 4.999 million for the Saskatchewan tourism sector support program, known as the STSSP. The 1,000 was a placeholder at the time, as we were not sure how much was needed.

In this fiscal we have paid 12.6 million as follows: 3.83 million for the SSBEP to March 2021 period. Applications closed for this program on April 30th. We would have discussed this program in committee last May. 8.78 million was for the SSBEP 2021, so April 2021 period. So applications closed on May 31st, 2021.

Our supplementary estimates request proposes to utilize the remaining funds in the STSSP, as that program was also wrapped up and not fully subscribed. The breakdown is as follows: the SSBEP spend in this fiscal was 12.6 million. We used the remaining funds from the STSSP of 1.8 million. So for supplementary estimates, the request is for 10.8 million. That concludes my remarks, and I will take questions.

**The Chair:** — Thank you, Minister. We will now open it up for questions. Ms. Young.

**Ms. A. Young:** — Thank you. Thank you, Mr. Chair. And thank you, Minister, and to your officials Rupen, Nancy, and Karen for being here this evening.

I guess just a clarification question, if I may begin. It was the member from Rosemont, I believe, who was in estimates in May. And I was reviewing the *Hansard*, and I believe at that point the minister had noted that if additional funds were needed for the SSBEP that a special warrant would be put forward and be reflected in the Q1 [first quarter] update. And, Minister, or to your officials, could you remind me if that was indeed the case?

**Hon. Ms. Harpauer:** — Yeah, we didn't. We had the cash flow within the ministry and so we chose to put it into Q2 and supplementary estimates. And then it's subject to scrutiny by yourselves.

**Ms. A. Young:** — Thank you for that clarification. Again just one point of clarification before I jump into just a couple substantive questions about the program. Perhaps two questions of clarification. Can the minister remind me — and I apologize, I should know this — for the tourism grant, were there any federal dollars wrapped up in that?

**Hon. Ms. Harpauer:** — No.

**Ms. A. Young:** — No. Okay that's what I thought. Thank you for that. And I believe in May, you spoke about it. It was undersubscribed at that point. Just to ensure I understand, are we talking about cash-flowing those dollars that in May were already remaining in the program into this supplementary ask?

**Hon. Ms. Harpauer:** — No, it reduced . . . So the leftover funds that was in the tourism fund, we used that money then to pay some of the small business, phase 3, yeah.

**Ms. A. Young:** — And so again for the business at hand today,

that same tourism grant is again then undersubscribed? Or am I misunderstanding?

**Hon. Ms. Harpauer:** — It's a one-time.

**Ms. A. Young:** — One time. Okay, thanks. Just a couple questions about the program itself, and I hope to be efficient in this scrutiny. I believe the deputy minister spoke extensively of the subscription and rejection rates to the program in May with the member from Rosemont. In this, I guess, third tranche, are you able to provide a similar breakdown in terms of the number of applicants to the program, the number of rejected applicants?

**Mr. Pandya:** — Thanks, Member. So I can maybe share with you some detail on SSBEP 2021 as we call it. So there was 2,633 businesses that had previously received SSBEP 2, that were provided a letter of notice that the payment was being extended over the April period. Of those 2,633 businesses, 410 chose not to take the offer of an additional month of support. And there was another 174 businesses that applied, outside of the previous businesses that had applied during SSBEP 2. So that brings the total number of eligible applicants to 2,397.

**Ms. A. Young:** — Okay, unique to that third.

**Mr. Pandya:** — That's correct.

**Ms. A. Young:** — Okay. And just for the record, just for some clarification, could you explain the rejection criteria for the program?

**Mr. Pandya:** — So at this point, you know, we have yet to audit that program. So as you'll know, we've audited our previous COVID support programs from the previous fiscal year and we'll audit this program.

But this program was based on the criteria of the program and then a letter of attestation affirming that the businesses that were applying still continued to meet the conditions of the program. And so they had to have had some minimum conditions with respect to receiving the payment. They'd have to have lost 15 per cent of their own source revenue, either from the previous April of '19 or the current February in advance of this program. And so there was no rejections. It was attestation. So businesses had the choice of saying, yes, I can attest to that. And we'll subject them to audit as we move through the remainder of the fiscal year.

[17:15]

**Ms. A. Young:** — Okay, so just to make sure I'm clear for this. I believe the language of rejection was used for those first two portions of this program. For the third one, it was simply a continuation with the exception of, I believe you said it was like 174 novel or new applicants to the program.

**Mr. Pandya:** — That's correct.

**Ms. A. Young:** — Okay. Are you able to speak to . . . Recognizing the comments made about, you know, the program going to be audited following this fiscal, are you able to speak to, even broadly, offer some expansion or comments on the industries most subscribed to the program overall?

**Hon. Ms. Harpauer:** — You mean what type of industry?

**Ms. A. Young:** — Yeah.

**Hon. Ms. Harpauer:** — So largely for this one, of course, was what was curtailed in Regina when we had basically different measures in Regina than we did elsewhere. So I would say it would be restaurants, taverns, because of the numbers of those types of businesses. But I could be corrected by my officials. But that's what the majority would be.

**Ms. A. Young:** — And would that be consistent kind of throughout the duration of the program? You listed, you know, that lengthy list, of you know, bingo halls, science centres, taverns, bars . . .

**Hon. Ms. Harpauer:** — Yes.

**Ms. A. Young:** — Okay. So it'd predominantly be in that food and beverage sector that really continue to be impacted?

**Hon. Ms. Harpauer:** — Correct. Because of the number of them. You know, there's a large number of restaurants and bars and taverns here in Regina.

**Ms. A. Young:** — Yes, absolutely. I give far too much of my money to far too many of them, as I know all members do when they're in town . . . [inaudible interjection] . . . Helping out small businesses. Terry's paying me 20 bucks to read that into *Hansard*.

Okay. Jokes aside, obviously Regina was a geographic centre in terms of the impact of that third wave. You know, certainly I remember living through that. I know all members would, obviously. We were here in session in the spring.

Outside of the Regina area, were there other notable . . . I'm not sure how you evaluate the program or what geographic regions you might use, but outside of Regina, did you see any kind of hot spots for continued subscription to the program? You know, I recall obviously like sports and performing arts and certainly outfitters and those in some of the tourism sectors continued to be impacted in those early days of spring and summer.

**Hon. Ms. Harpauer:** — So my official shows me that 691 of the applicants were from Regina, 1,706 were from outside of Regina.

**Ms. A. Young:** — And not to belabour the point, recognizing the comments made about the forthcoming audit of the program, but just looking for information on this third tranche. Is it fair to say as an assessment that this would be relatively distributed how you would expect across the province in terms of, you know, concentration in larger population centres and . . . Okay, I see the officials nodding.

The majority of my questions may be covered in the forthcoming audit, which I do look forward to just from a sincere perspective of evaluating the efficacy of the program.

In terms of that initial discussion with the tourism sector in particular, if I recall, I think the number of people employed in the tourism sector in the province last summer had dropped by, I believe, around 30 per cent. It was a fairly significant drop in

employment. So just given the relationship between these two support programs proffered by the government, are you able to offer any comment on the inconsistency between the use of the program and the drop in employment and revenues in the tourism sector overall?

**Hon. Ms. Harpauer:** — Generally, I can just make some general comments. And just partaking in discussions on what we could do as a province, and you know, what was the federal government doing, the challenge in the tourism . . . You know, I'm thinking of hotels. What would help, like, the hotel in LeRoy, Saskatchewan for example is so disproportionate for what the loss would be for Hotel Saskatchewan. So it was very difficult to have a really effective provincial program for that particular sector that was quite frankly hit.

In the conversations . . . Because throughout the initial months of the pandemic, there was weekly Finance ministers' — along with the federal minister — meetings by phone. And I had stressed that that was going to be a sector that would be very deeply hit and for a long period of time. I was quite pleased to see the federal government's finally recognizing that.

But what they did utilize a lot was the employment supplements program that the federal government had, and it was fairly substantive. So I know from people that have hotels that that was a program they relied on a lot, and it was extended for some time. But provincially this was the only program we had.

**Ms. A. Young:** — Thank you for that, Minister. Just recognizing we've only got a couple of minutes left. While, you know, with my earlier comments, we're all doing our best to help small businesses in the province that remain in sectors that are struggling to recover, have there been any considerations with this ask for kind of an expansion of supports or a redeployment for some of those sectors that do continue to see significant declines in revenues but perhaps may not hit that 50 per cent threshold that the federal programs require?

You know, I'm thinking in particular of . . . I'm sure all members will have received outreach from those in the fitness industry here in Saskatchewan that continue to be disproportionately impacted by some of the ongoing impacts of COVID.

**Hon. Ms. Harpauer:** — We haven't considered extending the program to other sectors although, you know, we are in budget deliberations, so I'm sure that may come up. Where we have helped is through the year of zero small-business tax. We basically forwent the small-business tax. And also we had the 10 per cent reduction in their power bills, so that we've helped them in other ways along with this program.

Will we extend this program? I'm going to say, not likely. It's very difficult to backfill consumer confidence, and that is something that I know that some businesses are struggling with and some communities. It may not just be a business, but some communities are more reluctant to go out and about than others.

**Ms. A. Young:** — That's noted. And just for the sake of the record, I would put that plug in. You know, both personally and speaking as my caucus's rep here, you know, of course the zero per cent is great for small businesses, but for those who are struggling, if you've got zero and you're paying zero per cent on

it. I appreciate the boost it may make for investment and that confidence but it's . . . Yeah, just for those few industries that are still undergoing duress and economic impacts of COVID, just for the record, I put that plug in for them as you do undertake those really important budget deliberations.

Madam Minister, I believe those are . . . Oh, one last question. The audit of that program, can you or your officials just clarify when that's going to be available? And does it come back to this committee?

**Mr. Pandya:** — So as part of any of our program administration, we will have, through our revenue division of the Ministry of Finance, auditors who would be auditing the program in terms of compliance with the criteria that were put out. So there is not a public report that is made available back to committee, but next time we're in committee, we would be happy to share the results of that.

I know the Provincial Auditor, not to kind of . . . will be releasing a report on her audit of all of our previous year's programs and that will be upcoming. And I think, well, I don't want to spoil the news there, but it will be good news. Hopefully I'm not in trouble with the auditor.

**Ms. A. Young:** — As the rep on Public Accounts, I look forward to that and I appreciate that. So just to make sure I'm understanding — the report itself isn't public, but you know, if I were to just look for industry breakdowns or things like that going forward, that would be information that would be available? Okay. Wonderful, thank you so much.

With that, Minister and Mr. Chair, I have no further questions, but I thank you and your officials for their time and their availability and willingness to answer my questions tonight. Thank you.

**The Chair:** — Thank you, Ms. Young. Having reached our agreed-upon time for consideration of these estimates, we'll proceed to vote them off. But before I do, Minister, do you have any closing comments, please?

**Hon. Ms. Harpauer:** — Thank you and I, too, would like to thank the officials and the committee members, and in particular I want to thank the committee member that asked the questions. They were very great questions, and duly noted on sectors that she raised concerns about.

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

**Ms. A. Young:** — Just a thank you to our wonderful Chair as well as the support from the Clerks and Hansard and video broadcast services here tonight, as well as the member from Prince Albert who's observing in the back. And I sincerely appreciate the participation and the curiosity and the important work that goes into the business of this building and this committee.

**The Chair:** — Thank you, Ms. Young, and thank you for the compliment. Now we're going to vote on vote 18, Finance. Miscellaneous payments, subvote (FI08) in the amount of \$10,800,000, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I'll 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 Finance in the amount of 10,800,000.

Do I have a mover? Mr. Daryl Harrison. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

**General Revenue Fund  
Supplementary Estimates — No. 1  
Lending and Investing Activities  
Saskatchewan Telecommunications Holding Corporation  
Vote 153**

**The Chair:** — We'll move on to the supplementary estimates no. 1 for lending and investing activities. Vote 153, Saskatchewan Telecommunications Holding Corporation, statutory. Loans subvote (ST01) in the amount of \$108,600,000. There is no vote as this is statutory.

**General Revenue Fund  
Supplementary Estimates — No. 1  
Lending and Investing Activities  
Saskatchewan Water Corporation  
Vote 140**

**The Chair:** — Vote 140, Saskatchewan Water Corporation, statutory. Loans subvote (SW01) in the amount of 3,300,000. There is no vote as this is statutory.

**General Revenue Fund  
Supplementary Estimates — No. 1  
Debt Redemption, Sinking Fund and Interest Payments  
Debt Redemption  
Vote 175**

**The Chair:** — Vote 175, debt redemption, statutory. Debt redemption, vote 175 in the amount of \$54,727,000. There is no vote as this is statutory.

[17:30]

And we'll move on to consideration of the third report. Committee members, you have before you a draft of the third report of the Standing Committee on Crown and Central Agencies. We require to move the following motion:

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

Do I have a mover? I recognize Mr. Terry Jenson.

**Mr. Jenson:** — Thank you. I move:

That the third report of the Standing Committee on Crown

and Central Agencies be adopted and presented to the Assembly.

**The Chair:** — Mr. Jenson has moved:

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

Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. That concludes our business for today. I would ask a member to move the motion of adjournment. Mr. Dana Skoropad has moved. All agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. The committee stands adjourned until the call of the Chair. Thank you.

[The committee adjourned at 17:32.]