



STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

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STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES

Mr. Terry Dennis, Chair
Canora-Pelly

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 15:00.]

The Chair: — Welcome to the Standing Committee on Crown and Central Agencies. My name is Terry Dennis. I will chair the meeting today. With us today we have Trent Wotherspoon in for Erika Ritchie. We have Mr. Steven Bonk, Mr. Daryl Harrison, Mr. Terry Jenson, Mr. Greg Lawrence, and Mr. Dana Skoropad.

On our agenda today are four financial bills and consideration of the resolutions before the committee. We'll begin with the 2022-2023 estimates.

**General Revenue Fund
Finance
Vote 18**

The Chair: — We're going to vote on vote 18, Finance. Central management and services, subvote (FI01) in the amount of \$8,893,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Provincial Comptroller, subvote (FI03) in the amount of \$10,324,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Treasury management, subvote (FI04) in the amount of \$2,332,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Revenue, subvote (FI05) in the amount of \$29,814,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Budget analysis, subvote (FI06) in the amount of \$6,780,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Miscellaneous payments, subvote (FI08) in the amount of 22,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Pensions and benefits, subvote (FI09) in the amount of \$193,142,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Personal policy secretariat, subvote (FI10) in the amount of 532,000, is that agreed?

Some Hon. Members: — Agreed.

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

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustments in the amount of \$2,626,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only; no amount to be voted on.

Finance, vote 18 for \$256,839,000. I will now ask a member to vote on the resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2023, the following sums for Finance: amount of \$256,839,000.

Have a mover? Mr. Harrison.

Mr. D. Harrison: — I move:

That the fourth report of the Standing Committee on Crown . . .

The Chair: — No, no. That's later.

Mr. D. Harrison: — Okay, I so move.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

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

The Chair: — Vote 12, Finance, debt servicing, statutory. Debt servicing, subvote (FD01) in the amount of 565,800,000. There's no vote as this statutory.

Crown Corporations debt servicing, subvote (FD02) in the amount of 15,100,000. There is no vote on this as it's statutory.

Finance — Debt Servicing, vote 12 — 580,900,000. There is no vote because it's statutory.

**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 \$5,037,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Human resource 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 resource service centre, subvote (PS06) in the amount of 11,602,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustment in the amount of \$303,000.

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

Public Service Commission, vote 33 — \$33,722,000. I'll now ask a member to vote the following resolution:

Resolved that there be granted to Her Majesty for the 12 months ending March 31st, 2023, the following sums for Public Service Commission in the amount of 33,722,000.

A mover? Mr. Bonk. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

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

The Chair: — Vote 13, SaskBuilds and Procurement, central management and services, subvote (SP01) in the amount of 53,000. There's no vote because this is statutory.

Property management, subvote (SP02) in the amount of 5,388,000, 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. I like that one. 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 108,730,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Information technology, subvote (SP11) in the amount of 40,293,000, 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 19,317,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. Non-appropriated expense adjustments in the amount of \$1,309,000. Non-appropriated expense adjustments are non-cash adjustments presented for informational purposes only. No amounts to be voted on.

SaskBuilds and Procurement, vote 13 for \$178,642,000. 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, 2023, the following sums for SaskBuilds and Procurement in the amount of \$178,642,000.

Mr. Jenson: — I so move.

The Chair: — Moved by Mr. Jenson. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

**General Revenue Fund
SaskBuilds Corporation
Vote 86**

The Chair: — Vote 86, SaskBuilds Corporation. SaskBuilds Corporation, subvote (SB01) in the amount of 29,600,000, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. SaskBuilds Corporation, vote 86 — 29,600,000. 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, 2023, the following sums for SaskBuilds Corporation in the amount of 29,600,000.

I have a mover. Mr. Lawrence. All those in favour?

Some Hon. Members: — Agreed.

The Chair: — Carried.

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

The Chair: — Vote 151, Municipal Financing Corporation of Saskatchewan. Loans, subvote (MF01) in the amount of \$20,000,000. There is no vote as this is statutory.

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

The Chair: — Vote 152, Saskatchewan Power Corporation, loans, subvote (PW01) in the amount of 792,800,000. There is no vote as this is statutory.

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

The Chair: — Vote 153, Saskatchewan Telecommunications Holding Corporation, loans, subvote (ST01) in the amount of 102,300,000. There is no vote as it's statutory.

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

The Chair: — Vote 140, Saskatchewan Water Corporation, loans, subvote (SW01) in the amount of 23,900,000. There is no vote as this is statutory.

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

The Chair: — Vote 150, SaskEnergy Incorporated, loans, subvote (SE01) in the amount of 112,700,000. There is no vote as this is statutory.

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

The Chair: — Vote 175. Debt redemption, vote 175 in the amount of 516,364,000. There is no vote as this 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. Sinking fund payments, government share, vote 176 in the amount of \$230,812,000. 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. Interest on gross debt, Crown enterprise share, vote 177 in the amount of zero dollars. There is no vote as this is statutory.

**General Revenue Fund
Supplementary Estimates — No. 2
Lending and Investing Activities
Municipal Financing Corporation of Saskatchewan
Vote 151**

The Chair: — Vote 151, Municipal Financing Corporation of Saskatchewan, loans subvote (MF01) in the amount of 45,000,000. There is no vote as this is statutory.

[15:15]

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

The Chair: — Vote 175, debt redemption. Vote 175 in the amount of 42,499,000. There is no vote as this is statutory.

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

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

I have a mover?

Mr. D. Harrison: — I so move.

The Chair: — Mr. Daryl Harrison has moved. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 83 — *The Tobacco Tax Amendment Act, 2022*

Clause 1

The Chair: — We will now move on to consideration of Bill 83, *The Tobacco Tax Amendment Act, 2022*. We will begin the consideration with clause 1, short title. Minister Harpauer is here with her officials. Before I begin, I'd ask the officials to please state their name before speaking and not to touch the microphone, as a Hansard operator will turn your microphone on when you're speaking to the committee. Ms. Harpauer, please make your opening comments and introduce your officials.

Hon. Ms. Harpauer: — Thank you, Mr. Chair. And today I'm pleased to speak to you about amendments to *The Tobacco Tax Act*. With me for this bill is my deputy minister of Finance, Rupen Pandya, and assistant deputy minister of revenue division, Nancy Perras.

These amendments are included by the government in the 2022-23 Saskatchewan budget, which was announced on March 23rd, 2022. The amendments increase the tobacco tax rates, effective at midnight, March 23rd, 2022.

The tax rate on cigarettes increased 2 cents per cigarette to make it the fifth highest in Canada. Fine cut tobacco increased 8 cents per gram. Fine cut tobacco products include smokeless tobacco and roll-your-own. Also the tax rate on heated tobacco products, also known as heat-not-burn, increased 1.3 cents per unit. These products are taxed at a lower rate than traditional cigarettes to account for the slight health advantage of these products over traditional cigarettes.

These amendments will keep Saskatchewan's tobacco tax rates relatively consistent with other Western provinces. The changes contained in the bill are expected to yield about 12.1 million in revenue. In addition a housekeeping amendment is being introduced to add the authority to make regulations under the Act retroactive.

So thank you for allowing me to make these brief comments, and I will try to answer any questions.

The Chair: — Thank you, Minister. We'll now open it up for questions. Mr. Wotherspoon.

Mr. Wotherspoon: — Thank you, Mr. Chair. And might I say, you're an incredibly fine Chair, Mr. Chair. Thank you to the minister and officials that have joined us here today.

With respect to this piece of legislation, I just wouldn't mind getting a sense of if there's been a bit of a scan or any work that went into, sort of, what measures or increases would mean around tobacco control or prevention or to aid cessation, just understanding a little bit of what sort of work went into to ensure that the increase was the appropriate increase, and as well if there's any additional measures to respond on these fronts.

Hon. Ms. Harpauer: — So treasury board reviews, as a revenue initiative, each and every budget — of course, there are different revenue streams — and we look at it, the scan that we do, and the treasury board and Finance level is to compare it to other provinces and see that we're, you know, in line with what other provinces . . . Any of the health initiatives or with tobacco would be done by Health.

Mr. Wotherspoon: — Thanks for the information. With respect to the additional revenue that'll be collected, about \$12 million, will there be any dedication to those dollars around tobacco control or health or on the cessation side or dedicated to health? We know that there's significant costs, of course, incurred by our public health system with respect to tobacco-caused cancers, serious impacts on people's lives as well. So just wondering with this increase if there's any dollars additionally dedicated towards prevention and cessation.

Hon. Ms. Harpauer: — No, there was no additional programming or were any other initiatives in Health to . . . as near as I know.

Mr. Wotherspoon: — Thanks for that. Have you had any engagement on, you know, with respect to consult with the Canadian Cancer Society on this front, or the Saskatchewan division? I would, I guess, be looking to, or any other advocates and stakeholders on these fronts.

Hon. Ms. Harpauer: — The Minister of Health meets with the

advocacy groups, usually on cancer, tobacco use. And I have met with, in this particular budget, one tobacco manufacturer. But I usually get requests throughout the year from more than one and that occurs throughout the year.

Mr. Wotherspoon: — Thank you. With respect to the Canadian Cancer Society, the Saskatchewan division, what have they shared about this increase and have they given any additional input as far as measures they'd like to see?

Hon. Ms. Harpauer: — I haven't seen that in my office.

Mr. Wotherspoon: — Okay. I don't have any further questions with respect to this legislation, Mr. Chair. And might I say, you're looking good today.

The Chair: — Thank you. Seeing no more questions, we'll proceed to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 5 inclusive agreed to.]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts the following: *The Tobacco Tax Amendment Act, 2022*.

I'd ask a member to move that we report Bill No. 83, *The Tobacco Tax Amendment Act, 2022* without amendment. Do I have a mover? Mr. Lawrence moves. Is that agreed?

Mr. Lawrence: — I so move.

The Chair: — Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I would now ask the minister if she has any closing comments on this bill.

Hon. Ms. Harpauer: — Thank you, Mr. Chair. I'll hold my comments until we complete all of the legislation brought before the committee.

The Chair: — Okay. At this time are you changing out any officials?

Hon. Ms. Harpauer: — If I could, I will add two additional officials and that would be Cullen Stewart who is assistant deputy minister, fiscal policy division, and Scott Giroux who is executive director of the fiscal policy division.

Bill No. 82 — *The Income Tax Amendment Act, 2022*

Clause 1

The Chair: — All right. We'll move on to consideration of Bill 82, *The Income Tax Amendment Act, 2022*. We will begin with

consideration with clause 1, short title. Ms. Harpauer, please make your opening comments.

Hon. Ms. Harpauer: — Thank you, Mr. Chair. *The Income Tax Amendment Act, 2022*, this legislation implements the income tax initiatives that were announced on March 23rd, 2022 as part of the 2022-23 provincial budget.

Mr. Chair, the budget increases the tax credit available in respect of the Saskatchewan value-added agriculture incentive, known as SVAI. The SVAI is a non-transferrable, 15 per cent tax rebate on capital expenditures valued at 10 million or more for newly constructed or expanded value-added agriculture facilities in Saskatchewan. Budget 2022-23 increases the credit from 15 per cent to 30 per cent for the portion of the project between 400 million and 600 million in value and from 15 per cent to 40 per cent on the portion of a project in excess of 600 million. The budget will also cap the dollar value for the SVAI credit at 250 million, meaning no single project can be eligible for more than that amount of SVAI corporate tax relief.

The SVAI will continue to incent global corporations to undertake major projects in Saskatchewan in canola crushing, pulse processing, grain milling, and more. These corporations are investing billions, creating construction and permanent jobs, and establishing Saskatchewan's leadership in value-added agriculture. Enhancements to the SVAI will make Saskatchewan even more competitive and effective in attracting investment to grow the industry and our province's economy. Amendments to *The Income Tax Act, 2000* are needed to implement these changes.

Mr. Chair, this bill also updates the provincial income tax Act by amending the technical provisions that have been requested by the Canada Revenue Agency and reviewed by officials at the Ministry of Finance in order to ensure consistent and effective administration of taxes.

I would like to thank you for the opportunity to present these legislative changes today and would be pleased to answer any questions.

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

Mr. Wotherspoon: — Thanks very much, Mr. Chair. And thank you, Minister, and all officials that are here. We had the chance, Minister, to exchange on this front to some extent during estimates, so I appreciate that opportunity. I'll aim not to canvass the exact same space that we had discussed.

What I'm interested in are a couple of things. I'd be interested in knowing how many projects have been approved at this point.

Hon. Ms. Harpauer: — I believe it's only one.

Mr. Wotherspoon: — And when did that approval occur?

Hon. Ms. Harpauer: — It was done in Trade and Export, would have that information. But there is 14, right? Fourteen applications to date to my knowledge, the last time I updated with Trade and Export. And one, I believe, has gained approval already.

Mr. Wotherspoon: — Okay. Do you have the total . . . I guess, the one that's been approved, do you have the value of that investment and the number of jobs or the fiscal and economic scan on it? And then do you have one more globally for the 14 applications?

[15:30]

Hon. Ms. Harpauer: — So I'm told that I can't give the information for that one company just because it is just one company, and therefore that gives confidential information of that company. So I can't do that, but I can give you a better global idea, I think.

So I'm being advised that of the 14 projects, should they all be approved, it would be a total of more than 3.3 billion.

Mr. Wotherspoon: — 3.3 billion in investment made by those . . .

Hon. Ms. Harpauer: — Capital expenditures.

Mr. Wotherspoon: — And obviously these are very important investments. They're exciting for Saskatchewan. They represent opportunity to many people, many communities, and jobs. By way of jobs, do you have the number of . . . I mean there'd be the capital piece. Do you have an estimate on the construction jobs and then the ongoing jobs that would be a result?

Hon. Ms. Harpauer: — All of that analysis is being done by Trade and Export.

Mr. Wotherspoon: — Okay. I might be wrong. I believe this area was canvassed a bit with that minister, and I'm not sure that answers were forthcoming. But I don't want to be too certain of that because I wasn't reviewing that committee. But do you have any of sort of the economic impact pieces attached then to this program?

Hon. Ms. Harpauer: — Some of the projects . . . If you go to page 8 of the budget document, this doesn't list all of the 14 projects but just generally different private sector investment commitments that have been made. There is an estimated number of permanent jobs and construction jobs that are listed on page 8 of the budget document. But specific to the 14 for this program, I don't have those numbers.

Mr. Wotherspoon: — Okay. And the eight that you're identifying in the budget, those investments don't attach to this program. Is that . . .

Hon. Ms. Harpauer: — Some do and some don't.

Mr. Wotherspoon: — Okay.

Hon. Ms. Harpauer: — Yeah.

Mr. Wotherspoon: — How will you track the program, I guess, and its impact and the investment and the jobs moving forward that, you know, interface with this program?

Hon. Ms. Harpauer: — I could be corrected by the Minister of Trade and Export, but in the submission, I believe the

corporations give some idea of what they anticipate having for total employment. And then the economists are very good at saying, you know, X number of jobs, then you will have so many spinoff jobs, and it would be sensitive to what the industry was as well as so many supplier jobs. That would be work done by economists that do that kind of work.

Mr. Wotherspoon: — But there'll be some reporting out. There'll be some tracking, and then there'll be some reporting out in subsequent years for us to be able to go back and talk about the number of projects, the number of jobs.

Hon. Ms. Harpauer: — There would be to a degree, I would think, through Trade and Export, with sensitivities around what some corporations would deem confidential information.

Mr. Wotherspoon: — Now we talked a little bit just very briefly at the end of our estimates around the change here. One of the changes is the various thresholds that have been introduced, the different rates of credit. And then the other change is the retroactivity that's been brought forward, and we had a brief exchange on that.

And I was questioning whether or not that change was made from a . . . You know, was there someone that was sort of in making an investment on this front, who had made some commitments and then had looked at the program and said, well you know, there's a question of fairness at play because new entrants into the space would benefit from the program? So did you have somebody engage on this front to urge this change and raise the matter of potential fairness? And could you just speak to that a little bit?

Hon. Ms. Harpauer: — Correct. My understanding from the Trade and Export was we did have the one that I believe has already gained approval. And in fairness to that entity, it was made retroactive.

Mr. Wotherspoon: — Do you know how they engaged with the ministry? Did they engage with the Ministry of Finance or with Trade and Export partnership?

Hon. Ms. Harpauer: — The discussions would have been with the Minister of Trade and Export.

Mr. Wotherspoon: — And since that's maybe the one that we've identified that we're not able to share the amount of the . . . I won't pursue that further at this time or at this juncture. Just a question, and maybe it's just as far as what you've considered on this front. I know I've brought this forward to the Minister of Agriculture, and I know there's some focus there. And the question is around the application of this value-add incentive to meat processing, local meat processing or abattoirs in Saskatchewan. Certainly it's an area that would be of economic interest and benefit to our province to have a program in place that stimulated sustainable and economic activity on these fronts with processors.

I know when I've chatted with those that are assessing those opportunities and some that are involved in that industry, the threshold that's, you know, in this with respect to this program is just simply too high for sort of the economic scale of what many producers and many that are involved in these conversations

would see as sort of the appropriate size and economic fit for a region or for an area.

So I guess my question would be . . . I know the Minister of Agriculture has — I've been bringing this file forward, and I've been active in meetings — he said that there's some work here now to support . . . I'm very pleased to see them working with the stock growers to assess opportunities to see the expansion and development of meat processing in the province. Have you been involved in any considerations about tailoring this program to better meet the economic situation that a potential meat-processing investment would require?

Hon. Ms. Harpauer: — I have not personally been involved in those meetings. I would think an abattoir of any size would be over the 10 million threshold. It likely would be more than 10 million to build. However I know from Trade and Export, I'm being told that the definition of the value-added agriculture which would qualify for this program is: "The physical transformation or upgrading of any raw/primary agriculture product(s) or any agricultural by-product or waste into a new or upgraded product." So I'm not sure. That ministry would be better answered whether meat processing would qualify for the description of what this applies for.

Mr. Wotherspoon: — Thanks so much. We'll follow up there as well. And I would just continue to urge government's attention on this important area. And there's different size of investment that could occur. I know there's a wonderful processor down — I'm looking at the member for Moosomin across the way here, good member — you know, an awesome operation down there at Wawota that is sustainable and successful. But the model that they've chosen, the investment is significantly less than the \$10 million.

And, you know, I think that there would be many other communities that may look to, you know, make or to see an investment, producers working together, private sector investment or otherwise. So I would just urge attention on this front to make sure that this incentive was inclusive for meat processors. And then also as government's engaged in the conversation and the work with the stock growers to look at sort of, you know, what the potential size might be to possibly build a program or a suite of supports that might bolster that industry.

Of course for the province it's, you know, important economically, very important by way of the job creation in rural Saskatchewan and, you know, a good thing for producers by way of choice and options. And certainly Saskatchewan consumers, I know, would appreciate those opportunities to be able to buy local and have exceptional Saskatchewan meat and beef and pork, you know, that they're able to purchase. So the space is there.

We went through some questions before about the fiscal impacts, and so the minister's response is there. And then that's something that can simply be tracked as we move forward because you'll be collecting that information as far as who's been approved and then what's been built and, you know, what the size of the credit is. So am I correct to assume that in the coming years we'll be able to have the conversation about the fiscal impact in a given year? And of course the benefits for Saskatchewan people are the investment and the jobs, you know, year to year moving forward.

Hon. Ms. Harpauer: — To follow up on your previous conversation, I agree with you on the importance of the meat processing in the province, and it's been a challenge in some areas. And the other animal that sort of has come up in my area and north of my area is buffalo processing, and the lack of processors that are able to process buffalo has been a challenge.

We will, I'm assuming . . . And I'll look to my officials to correct me if I'm wrong. As these projects are completed and then go into production — because of course this doesn't apply until they go into production — we can track on a global basis. We of course don't identify company by company.

Mr. Wotherspoon: — Thank you. Thank you for that. Now was there any other . . . There was some income tax adjustments here requested by CRA [Canada Revenue Agency] in this bill as well. Could you just describe what those are?

Mr. Pandya: — Deputy Minister Rupen Pandya. So there was a number of changes requested by CRA. I'll just list them, and if you have questions in detail we can jump in.

There was some technical changes to modify the mental and physical impairment disability credit so that certain federal COVID-19 support monies wouldn't reduce that credit amount. There's changes requested with respect to foreign tax credit rules to add references to employee stock option rules in the federal legislation, and that ensures that foreign tax credit is not otherwise understated.

There's a technical change that modifies the tax on split income rules, such that non-residents of Saskatchewan who pay tax on split income — and that's shareholders of corporations, for example — will still be paying tax on split income in Saskatchewan in respect of that income earned. So that clarifies that.

There was a technical change to add reference to the federal rules that allow the CRA to apply to the court where a person fails to provide information requested by CRA — the change that was requested of multiple jurisdictions — and technical changes that align federal and provincial rules for proof of service by allowing an officer of the CRA to file an affidavit that will deem materials to have been personally served on taxpayers.

Mr. Wotherspoon: — Thanks for that information. And do you have a total as far as what the fiscal impact is with any of those changes for the province of Saskatchewan?

Mr. Pandya: — Thanks. So no, there was no discussion with the federal government with respect to the fiscal impacts. The primary reason that the federal government was seeking those changes is to ensure harmony with the rest of the federal tax system.

Mr. Wotherspoon: — Thanks for that information as well. I don't have any further questions at this point.

The Chair: — Seeing no more questions, we'll proceed to vote on the clauses. Clause 1, short title, is that agreed?

Some Hon. Members: — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 10 inclusive agreed to.]

[15:45]

The Chair: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Income Tax Amendment Act, 2022*. I would ask a member to move that we report Bill No. 82, *The Income Tax Amendment Act, 2022* without amendment. Mr. Jensen. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 44 — *The Corporation Capital Tax Amendment Act, 2021*

Clause 1

The Chair: — We will now move on to consideration of Bill No. 44, *The Corporation Capital Tax Amendment Act, 2021*, clause 1, short title. Minister Harpauer, do you want to make your opening comments, please?

Hon. Ms. Harpauer: — Thank you, Mr. Chair, and I'm pleased to speak to you about the amendments to *The Corporation Capital Tax Act*. And I have another official joining me for this bill which is Eric Johnson, executive director of fiscal policy.

These amendments will clarify that associated corporations and affiliated persons are both included in determining if a corporation is subject to a resource surcharge. This clarification will reduce the risk of litigation, protect the revenue base, and ensure a level playing field. The amendments will amend the definition of resource corporation to include associated corporations and affiliated persons. It will add a new section extinguishing any claim for loss or damage resulting from this clarification.

Additional housekeeping amendments were included to update ministry names, which includes updating “department” to “ministry” and updating “Department of Industry and Resources” to “Ministry of Energy and Resources.”

So I want to thank you for allowing me to make these brief comments, and I'm now prepared to answer the questions.

The Chair: — Thank you, Minister. We'll now open it up for questions. Mr. Wotherspoon.

Mr. Wotherspoon: — Thanks so much. Is there a fiscal impact to this change?

Hon. Ms. Harpauer: — No.

Mr. Wotherspoon: — So it's a matter of being clear. It's not a matter of adding . . . There's not additional people or corporations that are being subjected to the surcharge through this change.

Hon. Ms. Harpauer: — That's correct. So there was a change

made in 2005. Amendments were made to extend the corporation capital tax resource surcharge to include resource trusts and resource corporations affiliated with resource trusts, which was done effectively to close a tax loophole. However, it was noticed that perhaps there could be a loophole if we didn't make these changes. There's been no problems or challenges to date but this will ensure that . . . You know, like there's been no revenue loss to date. However, there is a risk there that was identified and this just mitigates that risk.

Mr. Wotherspoon: — No, that's good to hear. So there hasn't been court challenges or litigation on this front.

Hon. Ms. Harpauer: — That's correct.

Mr. Wotherspoon: — And basically this really makes clear the spirit and intent of what was, you know, aimed to be established and just makes sure that it closes that door as well and ensures that we're not subject to litigation.

Hon. Ms. Harpauer: — That's correct.

Mr. Wotherspoon: — As far as your consultation with stakeholders, have you had any concerns brought forward with respect to this change?

Hon. Ms. Harpauer: — I'll look to my officials to correct me, but to my knowledge, no one's come forward with concerns about this or identified that they may launch a lawsuit over it. I'm just being told that the Ministry of Justice is the one that's been on our back and gave us advice to close this loophole.

Mr. Wotherspoon: — Gotcha. Okay. Well thanks to the good folks over at Justice as well for their work on this front. As presented, it obviously seems to make a lot of sense and strengthens legislation. I don't have any further questions at this point.

The Chair: — Thank you, Mr. Wotherspoon. Seeing no more questions, we will proceed to vote on the clauses.

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 as follows: *The Corporation Capital Tax Amendment Act, 2021*.

I'd ask a member to move that we report Bill No. 44, *The Corporation Capital Tax Amendment Act, 2021* without amendment. Mr. Skoropad. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried.

Bill No. 84 — *The Provincial Sales Tax Amendment Act, 2022*

Clause 1

The Chair: — We will now move on to Bill 84, the last bill, *The Provincial Sales Tax Amendment Act, 2022*. We will begin with our consideration of clause 1, short title. Minister Harpauer, do you have any opening comments?

Hon. Ms. Harpauer: — Thank you, Mr. Chair. I'm pleased to speak to you about the amendments to *The Provincial Sales Tax Amendment Act*. And I do not have any further officials to introduce.

The 2022-23 budget announced an expansion of the provincial sales tax base to include admission, entertainment, and recreation charges following the federal goods and services tax, or the GST base, for simplicity and ease of administration with an effective date of October 1st, 2022. Applying PST [provincial sales tax] on admissions, entertainment, and recreation charges would be consistent with the methodology of a broad-base and a low-rate approach to taxation.

The 2022-23 budget also announced that effective April 1st, 2022 PST would apply to services provided by the credit rating agencies such as Moody's Canada Inc. and Standard & Poor's Global Canada Corporation, or S & P, in addition to services provided by credit reporting agencies such as Equifax and TransUnion.

In addition housekeeping amendments were being proposed, such as an amendment is proposed to further define specified, tangible, personal property as excluding goods on which PST has already been collected by a marketplace facilitator or an out-of-province vendor. This will address the double taxation concern from a provincial perspective. However changes to the existing process and forms used by CBSA [Canadian Border Services Agency] to collect Saskatchewan's PST are also necessary.

Thank you for allowing me to make those comments, and we're now prepared to answer questions.

The Chair: — Thank you, Minister. We'll now open it up for questions. Mr. Wotherspoon.

Mr. Wotherspoon: — Thank you, Mr. Chair, and Minister and officials. Yeah, we've moved quickly through the previous pieces of legislation here, and you know, this piece of legislation is one that we have a strong opposition to. And I know that that's been placed well onto the record. It defies economic sense, common sense, the best interests of Saskatchewan people, to be cranking up the cost of living, to be imposing the PST onto these hard-hit industries, to be imposing it onto things that Saskatchewan people value at a time where they're facing crushing cost of living. And of course where it hits are the hardest hit industries in many ways when you look at what we've come through as a province and through the pandemic.

Looking at gyms as, you know, a clear example, they've faced such serious hardship. I've chatted with and advocated for many gym owners and local businesses throughout this pandemic, you know, in our community but also right across the province. And

sadly many have closed their doors. Others have hung on with a thread, and just getting back on their feet.

I guess my question to the minister, the government seems to be pushing forward. We've been pushing back, calling for this whole bill to be scrapped. With respect to those local businesses, those gyms, has there not been any recognition how, you know, just really how regressive this is and how backwards it is from an economic perspective, but even from a perspective of, you know, what we should be taxing?

You know, we spoke a little while ago about the increases to tobacco, and we've talked about maybe what that impact is around, you know, prevention and from health and savings of dollars by way of a public health tool, a sin tax if you will. This is the opposite of that of course, right?

And you know, we should be doing all we can of course to have local businesses open. They're very important to main streets and towns and cities across our province. They're very important from a perspective of the jobs they create, and the places that they are for a community to gather, which is important from a health perspective. They're also just very important from a health perspective.

So I guess my question to the minister . . . You know we're here. Looks like government is intent on pushing this forward. Our call would be to scrap this. Has there been any consideration by you or your cabinet to scrap this bill and to scrap the tax on, you know, very specifically on the fitness industry?

Hon. Ms. Harpauer: — We always have ongoing discussions to be sure. The concern that you have heard from me obviously, because we have discussed this issue, is I am concerned that we have a solid foundation to our budgets going forward. We've also recognized, you've recognized, we acknowledge that two things are happening: one is there is inflationary pressures right now and there is extra revenues that we're likely going to realize from resource revenue. However I think it's very, very important that we don't use that resource revenue and build it into the foundation of our budget, because unfortunately we've seen in the past that that revenue is very, very volatile.

I've also said publicly in the media and it's been in print that, you know, if I was to make the list I wouldn't put gyms on it. And you know, I have been in conversations with some of the national gym owners. The majority of provinces do tax them because they're harmonized, but there's always ongoing discussions. We're not going to modify or amend the budget at this point in time. But each and every year we have ongoing discussions depending on our resources at the time.

Mr. Wotherspoon: — Yeah, just as I guess a point of fact, in this case the list is being made here with the legislation before us, made by the changes of your government. It's not being made by anyone else. And I hear some, almost a bit of reluctance or some concern maybe about taxing gyms. And I hear the fact, the minister states that they're just going to go forward with this and not amend the budget.

I would just really urge the minister, if she's hearing from folks that are saying this doesn't make any sense, and if she's hearing . . . if other MLAs [Member of the Legislative Assembly] are

hearing this, I would urge them to act at this point and not proceed with it. This has been brought about in, you know, at really the wrong time.

And I think of those business owners, those gym owners that came and visited us. I know I've got many locally I've met with. We had some of them here. We had a person from Moose Jaw. I think of the gym owners that are from Esterhazy and Moosomin and Yorkton. And if you listen to what they've endured these last couple years and what they're trying to do by way of potential additional investments and what the benefits are for health, it just really doesn't make sense.

The minister identified that she's been dealing with some national gym organizations. Have you had the chance to meet with any local owners of gyms that are impacted by this across the province since it was introduced?

Hon. Ms. Harpauer: — I haven't had any requests, but in conversations I've had, and keeping in mind there's a number of gym and gym owners in Humboldt, they also say, thank you so very much for not shutting us down as much as what the NDP [New Democratic Party] were asking us to be shut down, and how much they were shut down in other provinces. So I am sure that you had heard those conversations earlier and yet still made that call to close different businesses that are economic drivers.

[16:00]

The other thing, and I have said this in conversations about this with yourself and I, that the number one thing that will help all of these businesses, be it restaurants, gymnasiums, retail stores, is the recovery of the economy overall. And so we are going to continue to work very hard to attract investment, keeping in mind we're competing with all other provinces and other jurisdictions as well, because in some industries we compete with the Midwest states to attract that investment, bring people to Saskatchewan. Those people, you know, that have a good income that come here, it's going to be going to gyms, restaurants, retail stores. And that will be the most positive thing that can help those businesses.

Mr. Wotherspoon: — Thanks. I certainly never called for the closure of gyms. I went to gyms to work out throughout, you know, the pandemic when safe to do so. And certainly I advocated for emergency supports such as the . . . Early on, very early on it was the gyms that were impacted, other businesses as well.

And of course I wrote you as the minister and the Minister of the Economy urging supports — and there were some that were built out; there were other aspects that weren't supported — and continued to push throughout the pandemic because those gyms that were hit real hard advocated and followed, you know, up with you as the minister but also the Minister of the Economy. And we'll advocate for them now.

With respect to the assumption that you can just assign a revenue amount that you're now going to collect and this is somehow going to be part of the budget that we can count on moving forward, I think it's naive and reckless when you look at what those economic impacts are. If you're imposing taxes that are going to drive gym memberships down, so that's driving down the earnings, the profitability, the success of gyms across the

province, and if you chat with many of these gyms, many are just hanging on by a thread, so the potential closure of those gyms which can be pretty important in all communities. Certainly I think of some of the rural communities and towns across our province.

Has there been an assessment of what the fiscal impact, what the economic impact is for the province when gyms close down and local businesses are lost and jobs are lost on these fronts?

Ultimately as we build canola crush plants and seize some of these new opportunities, we need to make sure that these local businesses are there with their doors open, ready to open the doors and invite new members and then add new jobs to the ones that they're already supporting.

Hon. Ms. Harpauer: — Again I'll speak to the fact that majority, or especially in Eastern Canada, the gyms are taxed actually at a very high rate because their PST is quite a bit higher than it is here in Saskatchewan. In talking to their Finance ministers, they have never identified that gyms were closing at a fast rate due to . . . And they had restrictions a lot longer than we did. So anecdotally that's sort of an indicator of the other provinces that have this in place at the rate of 15 per cent with the GST and PST combined.

Mr. Wotherspoon: — Has there been any economic modelling around the impacts of gyms and fitness and wellness on of course physical health? And then there's the mental health that's there and the associated economic impacts of keeping people healthy and at work, and you know, as well as what that means then for the province. Of course there's the mental health and the physical health benefits that also provide a lot of relief and take off a lot of costs off our health care system by way of being a preventative health measure. Has there been some modelling on this front? Because of course this just goes in the opposite direction, a real regressive direction.

Hon. Ms. Harpauer: — Not to my knowledge. That type of modelling as to the change in or health effects would not be done in Finance.

Mr. Wotherspoon: — The minister's pointing to other jurisdictions that have higher taxes and more taxes and using that as a justification to increase taxes on Saskatchewan people. Is that a common approach by your government at this stage, this juncture, to be looking for jurisdictions with higher taxes and more taxes and then looking to, you know, use that as the model?

Hon. Ms. Harpauer: — No, sir, you are misrepresenting what I said. The question that you had asked is whether or not we had looked at any evidence of the impact that this would have because businesses are going to close over it. And my answer was that was not the case in jurisdictions where they already have this tax. I didn't say that we look to other jurisdictions to model them or tax according to how they taxed. You asked for the impact. And the impact in other jurisdictions wasn't on gyms, and they already have the tax.

Mr. Wotherspoon: — Just help me understand the comment just from a little while back with respect to not making the list, I think is how you described, that you don't make the list. As the Minister of Finance and as the cabinet or the government of the

day and in passing a budget, I think you do make the list for Saskatchewan. So I'm just struggling to understand how the change here to add taxation to these new areas, including gyms, isn't the current government making the list.

Hon. Ms. Harpauer: — We adopted the federal government's definition in this category, much the same as we adopt the federal government's definition of disability for our disability tax credits.

Mr. Wotherspoon: — Yeah. Just honestly I think that Saskatchewan people respect a level of independence and autonomy from the federal government on these fronts. You know, if we simply just went with the flow of whatever's coming out of Ottawa, of governments of various stripes, including this one, and just signed on for whatever, you know, I don't think we'd be representing the best interests of Saskatchewan people who expect their Saskatchewan government, their provincial government to represent their interests, including having the fiscal autonomy to make choices that are in the best interests of our province.

I won't go further down that road because we had a bit of a discussion, and arguably debate, both in estimates, and I've pushed back on these fronts around the harmonization that we see happening with the federal government and that justification that the feds are taxing it, well we should too. I mean, it just doesn't hold water, which is why we're calling for, of course, this whole bill to be scrapped. You know, you're the minister moving forward with some of these things. I'm just reading through the bill here. Was there a certain . . . You know, what caused the government to decide that they were going to now tax fairs and rodeos and similar events?

Hon. Ms. Harpauer: — It would be the same answer. If GST does not apply, PST will not apply. And to allude and again misinterpret and twist what we've said, we're not taxing everything the federal government taxes. That is not the case. We used this for the definition for this particular category.

And it's interesting that you take such a strong stance of how we, you know, need to decouple from the federal government when it's your party that has said that it's kind of like a marriage and signed on and supported carbon tax and anti-pipelines. You may shake your head, but I can come with quote after quote after quote from different members in your caucus who indeed have said that that is the case. So in fairness, I don't think I will take a lecture from you on autonomy with the federal government.

Mr. Wotherspoon: — Well we won't . . . I'll try not . . . We've already had a good debate in other committees. The important one will always continue to occur in question period, and you know, out into the public and into the rotunda. We're going to continue to push back hard on these fronts.

The comments the minister just made around, you know, the carbon tax, of course we were clear that, you know, a federal carbon tax wasn't on for Saskatchewan. And the minister knows, and I've been clear in this Assembly — both on the microphone and with the public — that we strongly support our energy sector and the importance of transportation and of pipelines in getting that product to market and in expanding that trade at this critical time where we look at what the world faces. But I don't need to

go through those things. I'm clearly on the record, we're clearly on the record on those pieces.

So what rodeos are going to be taxed now? I mean, you think of how important rodeos are. And some of them, like I mean, they're historic in this province and there's incredible heritage and pride that's attached to them. They're important economically to a community. They're wonderful places for us to gather at a time where, you know, we've been forced to stay apart. What rodeos will be taxed in Saskatchewan?

Hon. Ms. Harpauer: — I don't know all the rodeos in Saskatchewan, but it would only be the very large events, because most of them in your smaller ag communities wouldn't generate enough revenue to be required to pay GST [goods and services tax].

Mr. Wotherspoon: — Has the minister had many questions coming in and concerns being brought from communities across the province with respect to the new tax on rodeos?

Hon. Ms. Harpauer: — I'm aware of . . . I'm trying to think of the ag association. It's not specific to rodeos. I've responded to them. Some of the correspondence, depending how it's worded, is managed in my office. So the Agribition and the Sask ag association.

Mr. Wotherspoon: — And Agribition, of course you just think how important that show is to, you know, our province and to agriculture in a bigger way, economically what it means. I know we've got some folks sitting in here who, you know, know these industries better than I around the genetics of livestock and who the buyers are and what it brings into our province and the level of pride, but also the level of fun and enjoyment and economic activity that's derived there. What's Agribition had to say about this tax?

Of course this last year they made a courageous decision to hold Agribition and made sure the show went on to make sure we, you know, don't ever give space to anyone else to come steal that very important show from us. And they did an exceptional job of it.

What are they suggesting? You know, of course coming through the pandemic was real hard on them. They're very important to this province and to this community. What have they shared with you as the minister?

Hon. Ms. Harpauer: — For both of those that I mentioned, they were looking for clarification.

And also I would like to comment that you are making it sound like this is it. Nobody will ever attend anything again. Everything will crash and burn. That will not be the case. Quite frankly, it probably won't change the door sales or the gate sales, probably little to none. But we will be tracking it if there is a huge decline.

For this summer, of course, it doesn't affect any of them because it doesn't take effect this summer, which allows additional months for recovery for any of these entities.

Mr. Wotherspoon: — And to clarify, the new tax that is being brought forward does apply to Agribition? Is that correct?

Hon. Ms. Harpauer: — To the gate.

Mr. Wotherspoon: — Saskatchewan, there's so many great rodeos in this province. I know the member from Cannington would know some very well through his riding. We have the longest running rodeo in Canada over at Wood Mountain, and it's a beautiful sight. I don't know if folks have been there. I've been there. It's quite the place and it's super important to that community. It's been running since 1890. Amazing rodeo museum. You know, I see museums are now going to be taxed as well and historic places, which makes no sense.

But I guess with respect to that, you know, that historic rodeo and trying to think of that scale. It brings people into that area. It brings families back together. It brings community together. It creates business opportunities. Will the Wood Mountain rodeo, that historic rodeo, will it be subjected to the new PST that's being placed on rodeos by your government?

[16:15]

Hon. Ms. Harpauer: — I wouldn't know the answer to that because I wouldn't know their total revenue. So I wouldn't know if they are required to pay GST.

What I do find kind of interesting, and it's not a lot of people that has asked me about this expansion, but every single person that has approached me about this, saying like what are you doing? And I'll say, did you know — because they bought a ticket to a rodeo or bought a ticket to the Riders — and I said, did you know you're paying GST? Well no. They're buying the ticket anyways and paying the GST and not even realizing they were paying it.

I understand that you want to portray this as this will just shut everything down. I do not believe that it will.

Mr. Wotherspoon: — Yeah, I think the economic impact is just a negative one. It's not to suggest exactly what those outcomes will be. But you also think of, you know, that Wood Mountain rodeo. You think of the folks that are planning and the effort. And the minister states that she's not sure whether it will apply or not. I'm sure they're asking those same questions. But boy, the efforts that go into these things, including the volunteerism in local communities that make these things happen.

And as far as the justification that the feds are taxing it so we should too, it just doesn't make sense. You know, it would be like the carbon tax. You know, they're taxing it. You know, we don't think that the way they're going about that makes sense for Saskatchewan. You know, should the province just pile on there with more taxes too? Well of course not. You know, and there's other areas of course that the province taxes with the PST that the GST doesn't apply.

At estimates, I'd asked questions around the breakout for the various components, to get an understanding of how many, what the revenues were that the government was planning to collect with this new PST that they're imposing.

I guess I would just ask at this point if you could break out that for sporting events, concerts, shows, movie theatres, museums, zoos, historical sites, fairs, rodeos, trade shows, arts and crafts shows, conferences, seminars, professional theatre tickets, gym

memberships, golf memberships, curling fees, hunting guides, and fishing guides. Would you be able to break out how much you're planning to collect with the imposition of the PST onto all of these industries, breaking out just what the value is for each?

Hon. Ms. Harpauer: — Before I answer that question, I'm going to address yet again because it seems like you want to insist on saying that I have said because the feds are taxing it we should too. I have not said that, implied it, or gone there at all. I have said we've used their definition, which is totally different than what you seem to insist on saying and implying. There are many things that the federal government taxes that we do not and have no interest in taxing. So even though you may, you know, continue to put that in the record, it does not make it so. So I just wanted to clarify that.

And the answer to your question is no, I cannot break that out.

Mr. Wotherspoon: — And so you don't have any of the breakouts, and you don't have even just the gym memberships?

Hon. Ms. Harpauer: — Correct. I do not.

Mr. Wotherspoon: — What about the golf memberships? Does this apply to . . .

You know, I'm not much of a golfer. Anyone who's golfed with me knows that, you know, don't invite me to the golf course because I spray balls all over the place, and you know, my attention span struggles to enjoy the course. I'm good for about nine holes at the Eddy golf course in Bulyea.

What type of golf membership does this apply to? Is there a threshold? I think of many of those . . . You know, you think of Strasbourg. You think of Nokomis. You think of all these. You know, you think of Kelliher that was here today, beautiful little course. There's so many of these small little community-owned regional golf courses, and they offer that recreation at a, you know, pretty exceptional value, a lot of volunteerism involved.

Is there a threshold for which the PST wouldn't apply to a membership or is it going to apply to, you know, a member at the Nokomis golf course or, as I identify, I'll go out and smack a ball a few times, typically out at the Eddy golf course just outside of Bulyea? Or Craik?

Hon. Ms. Harpauer: — So the threshold is if it is a business, if it's a business that profits more than 30,000. If it's a non-profit, that threshold is 50,000.

Mr. Wotherspoon: — Do you have a sense of how many . . . like just what the margins are and who's going to be, how many folks are going to be included on this front or not? Certainly if you're a private business and you're making . . . If you make \$31,000 in earnings, you know, that's pretty modest return, really.

And you know, so you're talking about probably a pretty important thing to a community, but a pretty tight budget for that operation. It just seems to me that that's a really low threshold to apply the tax to. We don't think it should be applied at all, but it seems that that's going to capture and have impact on a lot of small, local business and also on the not-for-profit side, some

hard-working community enterprise that are very important to their communities.

Hon. Ms. Harpauer: — So if their profit was \$30,001, it still would be \$30,001. We're not taxing the business.

Mr. Wotherspoon: — Understood, but if they're \$30,001 that they earn in profits, they would then have to apply the PST to their members, which, you know, you're talking about a pretty modest profit there. It just seems that, you know, it doesn't make much sense and certainly will have impact on those local businesses, on those that are paying for that important recreation to them and to these important recreation entities across the province.

Hon. Ms. Harpauer: — That's why it's important to grow the economy. I also do not golf and nobody would want me to, but I have yet to hear a golfer say that they're going to throw in their golf clubs over this.

Mr. Wotherspoon: — I guess we'll see. You know, I think folks, when they start to, you know . . . Anyways, we'll see. I think this is just so offside, you know.

You think of those little regional golf courses and community-owned golf courses and how expensive it is for a family with the crushing cost-of-living increases — food, fuel. It's just one more thing. And like, there's a lot of folks that are, you know, just making ends meet or not making ends meet. And you know, to impose a hardship that might create a real barrier, economic barrier for many at this time for recreation, it just doesn't make sense.

I think of even a Rider game. I've had a few folks say, you know, I've heard a couple folks sort of say, well what's the big deal putting a tax on the Rider games, you know? Like honestly, you know, we want to fill that stadium. We want young people and families to have the chance to come there. We want, you know, we want to have these places where we gather, where we're all proud.

And for some, you know, some folks, sure, some folks are in a better position to afford their season tickets. But I know there's a lot of families, a lot of kids out there that make one trip. You know, some make one trip in their lifetime to that, you know, to a game. Some make one a year, and they plan for it.

You know, there's a lot of families, and think of what it would cost now rolling in from Yorkton to watch one game at the stadium with the cost of fuel — a buck eighty at the pumps, through the roof — you know, the cost of food. And then coming in and you're maybe . . . you're working hard and you're planning as a family to have that experience for, let's say, your kids or to take your parent, maybe a senior parent at that point. I just think folks are at a real breaking point right now, and it just doesn't make any sense to be piling on with these new costs at this time.

I've asked, I mean, I've asked the questions around the breakouts for the individual amounts. That information's not available. I've made the points on the floor of the Assembly, and we're making them here today again that, you know, please see the error in the way with this piece of legislation, piling on with a whole new set

of taxes onto industries that have been hard hit, onto families and workers and people who are struggling with the cost of living, to recognize that there's going to be economic impacts and hardship and actual loss of revenues when a business, sadly, may close their doors in some cases. Those are losses for our province, losses for our communities.

So I just appeal one last time here on the . . . well, not one last time. We'll continue to push. But here, one last time in this committee here, you know, for the minister to meet urgently with her cabinet and not proceed, you know, moving this bill forward. It doesn't make economic sense. It's out of touch with the reality that Saskatchewan people face, and you know, it's just really offside.

And I'll leave it there. The minister knows where I stand on this legislation, and I would urge her and members opposite, members that . . . you know, to use their voice because this isn't done yet. It's important for Saskatchewan people to know that this hasn't been passed yet, and we can scrap it. And we can, you know, stop something that will create hardship economically, and for households across and for local businesses across Saskatchewan.

With that being said, I don't have any further questions other than an appeal to say, like, let's not be voting on this. Let's scrap it, and let's abandon this ridiculous entry, recognize it for what it is, and get on with advancing the best interests of Saskatchewan people.

The Chair: — Thank you, Mr. Wotherspoon, and that was . . . in your closing it wasn't really a question so we'll move on. Seeing no more . . .

Hon. Ms. Harpauer: — I will just . . .

The Chair: — Oh, sorry. Sorry, Minister.

Hon. Ms. Harpauer: — Comment to the comments of the member. And he's right — we'll debate this, I'm sure, further. However again he's suggesting that we are not very, very mindful of affordability, and we do recognize that there are inflationary pressures in Saskatchewan, in Canada, and around the world right now. And we're mindful of that.

But also I think he needs to recognize the number of substantive affordability measures that we have in this budget and in previous budgets, that families and individuals have savings year over year over year. It's not just this year, it's every year, and it's years of savings.

So the member opposite alludes that there are no affordability measures, and he couldn't be farther from the truth. And something that families want to see is the level where they start paying provincial income tax, and it's substantively lower. So you have to take it all in, not just focus on one thing. You should look at the entire picture when you talk about affordability.

The Chair: — Thank you, Minister. Seeing no more questions, we'll proceed to vote on the clauses. 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 Provincial Sales Tax Amendment Act, 2022.*

I would ask a member to move that we report Bill 84, *The Provincial Sales Tax Amendment Act, 2022* without amendment. Mr. Bonk moves. Is that agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. I'd ask the minister to have some closing comments.

Hon. Ms. Harpauer: — Thank you, Mr. Chair, and thank you for the time that you've given us and the work that you do, and the committee members on both sides. Thank you so much for the time and commitment that you have for important work by the government. I want to also thank my officials who always work hard in Finance and serve our province proud. Thank you.

[16:30]

The Chair: — Thank you, Minister. Opposition, Mr. Wotherspoon.

Mr. Wotherspoon: — Thank you, Mr. Speaker. Let the *Carlyle Observer* note how the member for Cannington voted today on these tax increases. But to the members of the committee, I say thank you very much for being here. Strong disagreement with the tax hikes that we voted on here today. Nonetheless, I want to say thank you to the minister for her presence, and always to the officials who do such very good work on behalf of all of us. We'll continue to push to see this tax hike scrapped. And just in closing, I just want to say you're a very fine Chair, Mr. Chair.

The Chair: — Thank you, Mr. Wotherspoon. I too would like to thank the minister and her staff too for their hard work and the members here for putting in some time today, not as long as yesterday, but I would like to thank them too. And as far as the workers and Hansard too as well for their time they put in today.

That concludes our business for today. I'd ask a member to move a motion of adjournment. Mr. Harrison has moved. All agreed?

Some Hon. Members: — Agreed.

The Chair: — Carried. This committee stands adjourned till the call of the Chair.

[The committee adjourned at 16:31.]