



STANDING COMMITTEE ON PUBLIC ACCOUNTS

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STANDING COMMITTEE ON PUBLIC ACCOUNTS

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Ms. Aleana Young
Regina University

[The committee met at 10:01.]

The Chair: — Well good morning. We'll convene the Standing Committee for Public Accounts again here today. At this time I'll introduce our members: Deputy Chair Young, Lloydminster; Mr. Nerlien; Mr. Skoropad; Mr. Friesen; Mr. Goudy; Ms. Young, Regina University. I'd like to welcome them and thank them for their attendance. The Provincial Comptroller's office, Terry . . . I caught you; I'll come back. Terry Paton, our Provincial Comptroller, as well as Chris Bayda, our assistant provincial comptroller.

I wanted to make sure I gave a very special warm welcome to Mr. Delbert Kirsch here as well. I missed him in those initial introductions, and today he didn't come in a little late, so I was able to identify him properly at the start of the committee.

I'd like to thank Judy Ferguson for her leadership at this table and for being here again today. She'll be introducing her officials with her throughout the day, pertinent to the respective chapters. And I'd like to welcome Deputy Minister Johnson and a team of officials that are with her here today from the Ministry of Education. Thank you for being here this morning, and of course, thanks to you for all of your work and all of those that connect with the important work within the ministry.

At this point in time, we will . . . Maybe what I'll do, Deputy Minister Johnson, is we'll have the presentation from the auditor. I think they're going to be dealing with a couple chapters sort of bundled together to start, then we'll have you respond to that. And at that point you can introduce all of your officials that are with you here today. At this point I'll turn it over to our Provincial Auditor.

Education

Ms. Ferguson: — Thank you very much, Chair, Deputy Chair, members, and officials. Good morning on this, what I call a brisk morning here. So we've got eight chapters on the agenda today. And so I've got with me Mr. Trevor St. John. He's at the back of the room. Trevor will be doing the presentations today. What we will be doing is we'll be grouping the first two together and then the rest of them actually, they go on their own. So there'll be seven different presentations here.

The committee has previously considered and agreed to the recommendations that are presented in this array of chapters, so that there's no new recommendations for consideration. So before we launch into our presentations, I do want to take a moment to thank the deputy minister and her team for the co-operation extended to our office in terms of this body of work that's before the committee. So with that I'm going to turn it over to Mr. St. John for his first presentation.

Mr. St. John: — Hello. Thank you. So I'll start with chapter 18 of our 2018 report volume 2. It starts on page 99, and chapter 17 of our 2019 report volume 2 starts on page 111. Each of these reports report the results of the annual integrated audit of the teachers' dental plan for the fiscal years ending June 30, 2018 and 2019 respectively. The Teachers' Superannuation Commission administers this plan. We reported the progress of the plan in reconciling dental payments and readying for the

preparation of financial statements. During '18-19 the commission established written dental reconciliation procedures and completed monthly reconciliations for all dental payments made in the year.

As noted in our chapter 18 of our 2020 report volume 2, which is a summary of implemented recommendations, we provided a further update that during 2019-20, management used the progress made on the dental reconciliation process to manage teachers' dental plan on an accrual basis and prepare adequate interim and year-end financial statements. Thank you. That concludes my presentation.

The Chair: — Thank you very much for the presentation, the focus of your work. We'll quickly clean the spot there to respond. And then we'll invite Deputy Minister Johnson to provide a brief response, introduction of officials, and then we'll open it up for any questions.

Ms. Johnson: — Good morning everyone. We are very pleased to be here today to speak to the progress that the ministry is making on the recommendations provided by the Office of the Provincial Auditor. With me today to help answer the questions that you may have are Rory Jensen, our acting assistant deputy minister. Also in the room with me, although difficult for you to see, is our assistant deputy minister, Susan Nedelcov-Anderson. And outside the room, someone that we'll bring in later on in our meeting this morning, is Assistant Deputy Minister Gerry Craswell.

So first of all, I would like to say that we welcome the auditor's recommendations and we appreciate the effort and detail that the Office of the Provincial Auditor puts into their audits. Our ministry takes these recommendations seriously and we're pleased to say that progress has been made in addressing many of the recommendations.

We will speak to these chapters individually as we go through the morning, and we thank you for that opportunity. We recognize too, generally speaking, that in some of the chapters there is still work for us to do, and we are committed to working with our education partners to ensure that we can continue to address the recommendations made by the Provincial Auditor.

With respect to the two chapters that have just been introduced, the auditor has noted that the recommendations made have now been fully implemented. And I think I will leave my comments at that and turn it back to you, Chair, if there are any questions.

The Chair: — All right. Thank you very much, Deputy Minister. I'll open it up for questions at this time. Mr. Friesen? Ms. Young.

Ms. A. Young: — Thank you. I just have one clarification question just for my own understanding and then one question specific to the reconciliation of dental payments. So just to make sure I understand, the Teachers' Superannuation Commission manages the dental plan, and this is paid out of the GRF [General Revenue Fund]. And so is this specific to what we would colloquially refer to as the old teachers' pension plan? Is a distinction made?

The Chair: — Any of the other officials . . . I know you've been

introduced here today and thanks for being here. Any other officials coming to the microphone, if you just briefly say your name for *Hansard*.

Mr. Jensen: — Rory Jensen. The Teachers' Dental Plan is administered for all teachers, both the old plan and the new plan. It's for anyone that's measured, and it's still the ongoing dental plan for teachers.

Ms. A. Young: — Okay, wonderful. So regardless of where the teachers would fall in which pension plan, that is funded through the GRF then?

Mr. Jensen: — That is correct.

Ms. A. Young: — Okay, wonderful. Thank you. And then I suspect, Mr. Jensen, my second question may also be for you. It's noted on page 112 that as of June 2019, the commission continued to develop a dental reconciliation IT [information technology] system. And I was just wondering, for a status update on that, if that's still under way or if that's been completed.

And also then if you could just elucidate why — I'm just curious — the dental plan is one of the only active benefit plans that does not publish financial statements. Is that due to its nature of being funded through the GRF?

Mr. Jensen: — So the reconciliation of dental payments, so this was a reconciliation between what was gone through the bank account and what was reported from Sun West, the supplier, the insurance provider. That is now completed, so now we have a complete reconciliation.

And as the auditor's recommendation stated, they were recommending financial statements be prepared. That has been done for the '19-20 fiscal year. So that has now been completed, and as the auditors noted in their volume 2, 2020 report, we have now implemented these recommendations, so those financial statements and an annual report are now prepared for the dental plan.

Ms. A. Young: — Thank you so much. No further questions, Mr. Chair.

The Chair: — Any other questions on these two respective chapters? Thanks so much to the ministry for the action here. To see implementation of the recommendations is positive. Thank you. We'll close or conclude our consideration of chapters 18 of the volume 2, 2018 report as well as chapter 17 of the 2019 report volume 2. And I'll turn it back over to the auditor. I think their focus is moving on to chapter 18 of the 2019 report volume 1.

Mr. St. John: — So I have chapter 17 of the 2019 report volume 1. It starts on page 229. This reports the results of our third follow-up of the Ministry of Education's progress towards addressing two recommendations initially made in our 2013 audit of its capital asset planning processes for pre-K [pre-kindergarten] to grade 12 educational facilities. By January 2019, the ministry had implemented one recommendation and partially implemented the other.

The ministry established a capital asset strategy, including the

development of a 10-year capital asset plan for the provincial pre-K to grade 12 system. It also worked with school divisions to develop a comprehensive manual to assist the school divisions in developing their 10-year capital plans and outline the ministry's prioritization of school divisions' major capital projects.

The ministry and school divisions used this guidance to better coordinate infrastructure planning for educational facilities across the province. By the time of the report, the Ministry of Education had not yet determined how it will monitor the success of the capital asset strategy.

Thank you. I can pause now for the committee's discussions.

The Chair: — Thank you. I'll invite the deputy minister for a brief response, and we'll open it up for questions after that.

Ms. Johnson: — Thank you, and again thanks to the Provincial Auditor's office for the chapter and the recommendations. As they noted, the recommendations were originally reported in the 2013 volume, and the ministry has implemented seven of the eight original recommendations from that chapter. The recommendation to develop and use a capital asset strategy that coordinates overall capital needs for schools in the provincial system was noted as implemented in this report.

That leaves one recommendation remaining that is considered partially implemented, and that is that the ministry develop and implement measures and targets to monitor the success of our strategy across the province. We feel that the work that we have taken towards implementing this recommendation has taken us to a spot that will allow the auditor in the next follow-up to note full compliance. And at this stage we'd be happy to take any questions that you have.

The Chair: — Thank you very much. I'll open it up to the committee members for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. I do have a few questions and I think, at least to my mind, the logical spot to start would be figure 1 on page 231 of chapter 17 where it notes the approach to prioritization for capital plans.

So I guess just to make sure I understand fully, the ministry developed a strategy for capital assets in the ed sector, and then individual school divisions have their own 10-year capital plans which feed up to the ministry, which helps the ministry to then determine a sector-wide strategy for all the physical assets in the school system.

In figure 1, eight different criteria are identified. It is noted below that for the five projects evaluated, the ministry does use these eight criteria. And I'm curious, is it expected that all of these are always used? Is there a hierarchy to these eight principles identified? Are some of them weighted differently with the intention of giving the ministry more flexibility and identifying which capital projects proceed? I'm just wondering if you could expand a little bit on how this is deployed in evaluating the capital strategy.

[10:15]

Ms. Johnson: — Absolutely. I will begin that. So yes, as you've noted, we do have eight categories that we review each of the capital requests based upon. Health and safety is the prime category, so we do provide a higher weighting to the health and safety factor. But generally speaking, all factors come into play when we're sorting out the importance of one capital project relative to other capital projects.

As you can appreciate, we have a number of schools across the province that receive capital funding. So over 600 schools across the province that are eligible for capital funding, and one needs to have a methodology that allows you to examine the merits and the concerns related to capital requests that come from each of the school divisions.

So we do provide an annual application process, if you will, where each of the school divisions are asked to identify their top priorities for the coming 10 years. And we take each of those requests in turn and evaluate them using the eight elements that are described here in figure 1. And it does allow us to create a ranking. In some cases, once we go through the first seven for instance, we will get rankings that are very close to one another, and that is where we will take a look as well on the impact that the project could have on provincial priorities. And that sometimes is what helps us determine between one project request and another.

Ms. A. Young: — Thank you, Deputy Minister. That's a great segue to my second question because it was going to be about that provincial priorities criteria which, at least in the explanation given, it seems to maybe contemplate the potential of leveraged funding or co-funding agreements. But it also seems, I guess, constructively to provide some flexibility to the ministry in identifying priority builds, to use a diplomatic term. And I guess I'm curious if that is the case, that this factor does assist the ministry in determining where new builds will go.

I don't mean this in a critical sense, but you know, you look around the table, there's members from all over the province. And I suspect every single member here would have a school building in their community that they feel would need some either increased preventative maintenance or funding for a new build. It's no secret that there is some concern about the facility condition of schools in the province. So I'm wondering if that eighth factor there is intended to have flexibility built in for the ministry to determine where the provincial priorities may lie?

Ms. Johnson: — Well yes, I'm not entirely sure if I would use the word "flexibility," but it is certainly an element that helps us weigh the merits of different projects, one against the other. Because ultimately, as you've pointed out, we will have requests from all across the province, from 27 school divisions, and ultimately we do need to identify where the greatest need is given that, you know, there are financial decisions associated with each of the requests that come forward. And there will always be limited resources that go beyond everybody's requests.

So to that end, when we look at the eighth element here, one of the things that it refers to is alternative funding options. To that end, when we look at our capital requests from across the province we will look at them from a point of view of are there any groupings or couplings of requests that can facilitate something along the lines of the P3 [public-private partnership]

builds that we did several years ago. So you know, that is one of the things that would be considered when we refer to alternative funding options.

But I would also want to be quick to point out that all of the school capital is 100 per cent government financed. So you know, that has never come into question.

Ms. A. Young: — I have one more question here and then one just on the partially implemented recommendation to follow. So thank you for your answers thus far. Actually I fibbed. I have two questions. In regards to that eighth priority, does this also contemplate that joint builds will continue to be prioritized in terms of capital funding applications?

Ms. Johnson: — You know, I would say in certain cases, yes. It wouldn't necessarily put a joint build at the very top of the list if there is another stand-alone build where the other elements of health and safety utilization, efficiency, etc. result in a ranking that's higher than others. But certainly joint-built facilities do present for us a number of efficiencies, a number of benefits for addressing new growth, often also opportunities and benefits related to functionality in the contribution to programs. So there are, again there's a number of elements that come into play, but joint builds don't automatically trump every other build request that we have just by virtue of being joint.

Ms. A. Young: — Thank you. My last question in this section is, I guess, related to all of the factors but specifically factor seven, facility condition. It seems that there obviously is some, hate to use the word "synergy," but synergy between all of these factors. And I guess my question is, it seems that there would be a number of facilities within the province which would max out their ranking in a number of these categories just due to the age of infrastructure in the province and the ground upon which many of our schools are built.

So looking at that seventh factor in terms of facility condition, to me this seems like it would also be a fairly critical measure. And I'm wondering, I believe it has been provided to this committee in the past although I am new to this committee, but I'm wondering if you could comment on what the current facility condition index is across the province?

Ms. Johnson: — Well I'm going to give Rory a heads-up that I'll ask him to elaborate on that. As many of you know, I've been away from the ministry for the last two years, so that's a detail that I haven't brushed up on yet. So I'll start by providing a general response, which is that the facility condition index is certainly an important measure for us in assessing many things including, you know, an important factor in determining where requests for new capital might be ranked overall. The facility condition index is something that we assess annually but on a rotation basis. So we conduct or have conducted or contracted to conduct facility condition audits, but generally we have those audits done on about 20 to 25 per cent of the facilities in the province each year.

So oftentimes when it comes to the specifics, I guess, of this chapter, when we're looking at comparing facility infrastructure requests like major capital requests, the school divisions will bring forward more detailed facility condition information in their proposal as well. So it's a combination of the historical

facility condition information that we have on hand as well as the project-specific engineering work that school divisions might undertake as they are requesting to have the work done.

So having said that, I'll take my seat and ask Rory to more fully respond to your question.

Mr. Jensen: — So in terms of facility conditions, the facility condition index, as Donna has said, is a general measure that we evaluate using an audit process on a rotation basis. It's a five-year rotation that we're currently undertaking. It's just one measure of determining the status of facilities or the state of the facilities in the province. I'm trying to think of the right word. The facility condition index really evaluates how much maintenance or how much the cost of bringing that building into good condition would cost. Now that doesn't factor in . . . when you just look at facility condition on its own, that could factor in that, well no, you just need to do one project and that project costs \$4 million and that brings that building up to good condition, where it could be the replacement of a boiler or that.

So the condition index, while it is a measure and it does help us evaluate the state of the infrastructure we have in the province, and that's why it's included in the rankings, it doesn't necessarily state whether there's a health and safety concern in those buildings.

So that's why health and safety is separated out from there, and that's actually the most important factor in there. Because facility condition, there may be other avenues to evaluate the major capital. And through preventative maintenance and renewal there could be other initiatives that we could invest into those products, into those buildings to bring those from either a fair condition to a good condition or even a critical condition to a good condition, because it's really just evaluating the investment needed to bring that facility up to good condition.

So the state of our buildings, we do not right now publicly report facility condition index, as the information we have is old and it was inconsistent with the rest of government. So as we're undertaking contracting out for facility audits, we are now working with Central Services. We are able to bring up consistent information. And we began those audits in this current fiscal year, and over the next five years we'll have details of all the school facilities, the condition of the school facilities and school division buildings, consistent with the rest of government, the rest of Central Services, Health, and Government Relations, with the rest of government.

So right now we don't publicly report anything because we don't have what we would deem good information about the state of our facilities. We do have information, and school divisions, as Donna said, while they're bringing forward major capital requests to prioritize, they bring forward better information than what we currently have because they've done more detailed audits of their facilities while they're prioritizing their major capital requests. We don't have a complete picture of the overall provincial standpoint at this time.

Ms. A. Young: — Thank you, Assistant Deputy Minister Jensen. So based on your comments, I understand that that factor that you've spoken on is essentially used to determine the deferred maintenance cost in any individual facility. Is that an accurate

summary of your remarks?

[10:30]

Mr. Jensen: — The facilities condition index is what would be deemed necessary to bring a building to a good condition. I would not necessarily phrase it as deferred maintenance as this is ongoing maintenance that would need to go. And school divisions are undertaking preventative maintenance on their facilities to make sure that they're providing safe buildings for students in the province.

Ms. A. Young: — Okay. So there would exist within the ministry a current valuation of what that is, but I get from your comments you're saying that isn't publicly available to this committee.

Mr. Jensen: — We would say that it is not. We're not 100 per cent confident in that number and because we are not . . . While we'll undertake the audit to get better information, we don't have confidence that that number is fully accurate while we undertake the facility audits on the . . . [inaudible].

Ms. A. Young: — Understood. And I could be mistaken. As I noted I am also new to this committee, but I would maybe just ask, could that be verified? Because I did understand that this was previously provided to this committee. But full disclosure, I may be mistaken in that.

Mr. Jensen: — The information that was provided, I believe it was in 2019, has not been updated because we have not undertaken these . . . We don't have a complete picture. So while that information has been provided, we have not updated it since it has been provided.

Ms. A. Young: — Noted, thank you. My remaining question in this chapter is related to item 3.2, the partially implemented recommendations. I'm not certain to whom to direct my question. But it was fairly basic. It just notes that the ministry expects to evaluate its emergent and other aspects of its capital projects programs in 2019 and 2020, and believe Deputy Minister Johnson indicated in her remarks that upon the subsequent appearance at this committee, that the ministry anticipated being able to indicate that this had been fully implemented. So I was just curious if there was an update to be provided as to whether or not this had been accomplished.

Mr. Jensen: — So currently the Office of the Provincial Auditor is undertaking a follow-up on this particular audit. We are working with the Office of the Provincial Auditor. The ministry now performs in-depth analysis on prioritization of major capital funding requests, as well as analysis and reports prepared to support the positive impact of new school builds in areas experiencing growth. The ministry has validated the target of reducing utilization rates at surrounding schools, and that has been achieved. So with the work that the ministry has completed since this chapter was reported, we do believe that the Office of the Provincial Auditor will find that this recommendation has been implemented. That work is under way as of right now though.

Ms. A. Young: — Thank you. No further questions.

The Chair: — Any other questions from committee members? I

just have one that came to me as I was hearing the deputy minister's remarks, and it might be identified here. It was just commented on something to the effect that P3 builds, or the possibility of applying or building a project through a P3 model, that that's a factor within some of this process. Could you just speak a little bit more how the possibility for a P3 build factors in to this criteria and how it impacts a project's ranking?

Ms. Johnson: — All right. Thank you for that question. So as was noted in the table in the eighth item, one of the considerations would be alternate financing. So in that event it comes down to a question of essentially, for P3s, do we have a large enough project to make P3 a viable option? So in that event we would be looking at what different elements makes a P3-financing option particularly attractive. And if we have the right set of circumstances, or we're very near to the right set of circumstances, then we may pull in one more project in order to get a package that is suitable for a P3. So I mean that's just generally, I think, the thinking there.

The Chair: — Thanks for that information. Obviously I think there's a broader discussion around policy on this front that, you know, is best placed in the policy field committee. So thanks for the information on that front.

Any other questions with respect to this chapter? Not seeing any, we'll conclude consideration of the 2019 report volume 1, chapter 17, and we'll move along I believe to the 2019 report volume 1, chapter 18 focusing on graduation rates, and I'll turn it over to the auditor's office.

Mr. St. John: — Yes, thank you. The Ministry of Education and the school divisions have set a goal to achieve a graduation rate of 85 per cent for the three-year graduation rate, and 90 per cent for the five-year graduation rate. As shown in figure 1 of this chapter on page 234, at June 2018 the three- and five-year graduation rates for all students were about 77 per cent and 84 per cent respectively. Figure 1 also provides a breakdown for self-identified First Nations, Métis, and Inuit/Inuk students.

Chapter 18 of our 2019 report volume 1 starts on page 233 and reports the results of our third follow-up of the Ministry of Education's progress towards achieving five recommendations we initially made in 2012 on increasing grade 12 graduation rates. By January 2019 the ministry had made good progress in implementing the outstanding recommendations, but critical work remains. It implemented four of the five remaining recommendations and was in the process of implementing one . . . [inaudible] . . . The ministry developed processes to identify and communicate key strategies to strengthen student achievement and increase grade 12 graduation rates. It also identified critical risks to student graduation and analyzed data to monitor the impact those risks had on graduation rates.

While the ministry had collected graduation rate improvement plans from all school divisions, it did not yet assess these plans to determine whether school divisions had appropriate strategies to address the risks to student graduation. Knowing whether each school division has effective strategies and supporting them . . . to do their essential steps to improving graduation rates.

Thank you. I'll pause now for the committee's discussion.

The Chair: — Thank you very much for the presentation. I'll turn it over to the deputy minister for response and then open it up for questions.

Ms. Johnson: — All right. Thank you again. With respect to the processes for increasing grade 12 graduation rates, the ministry has implemented 9 of the 10 recommendations included in the original 2012 report. This report, of course, includes four previously reported, partially implemented items which are now being identified as being in full compliance. We have partially implemented the final recommendation with a view to fully completing implementation of that in the 2020-21 school year.

The partially implemented recommendation relates to the ministry reviewing each school division's continuous improvement plan and planned use of key effective strategies. The ministry is definitely committed to working with school divisions to identify risks to student success, identify and enable the use of effective strategies towards improved student achievement that will motivate students to persist to grade 12, and monitor and report graduation rates of the school divisions toward better understanding of major reasons behind differing graduation rates across our school divisions.

With that, I will open it up for any questions.

The Chair: — Thank you very much. Looking to committee members, any questions? Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. Perhaps one update question and then one specifically to the partially implemented recommendation. It's noted in figure 1, the trend for completion of grade 12 on page 234, that the statistics in terms of graduation rates precede to June 2018, and I'm wondering if there are any more recent numbers that you could provide the committee to contextualize this discussion.

Ms. Johnson: — There are, and I am just making sure that I'm looking at the correct file. So for our within-three-year graduation rate for the overall province for the year 2019-2020, the graduation rate for all students is 79.8 per cent. For the non-FNMI [First Nations, Métis, and Inuit] students, it's 89.2 per cent, and for the FNMI students, it is 46.7 per cent.

Ms. A. Young: — That is interesting. That's a significant improvement in all graduation areas during a time of significant changes to pedagogy and deployment of educational outcomes. It wasn't one of my questions, but I'm wondering if you can speculate on that as it relates, perhaps, to distance learning and some of the changes, perhaps, that we saw last year in terms of . . . I can't even remember what we technically called them, but that commitment to students being able to graduate due to course achievement.

Ms. Johnson: — I think to that question, if it's all right, I would like to ask Assistant Deputy Minister Susan Nedelcov-Anderson to respond because Susan was part of the ministry for the tail end of that school year while I was away at the time. So if I could, Susan will . . .

Ms. Nedelcov-Anderson: — Good morning. Susan Nedelcov-Anderson. So in response to your question and when we go back to the past school year, the 2019-20 school year, from

March to June students who had been registered in courses and had started their work on courses were granted a 50 per cent, which probably would account for some of the difference in the graduation rates that you see.

Ms. A. Young: — Well thank you, Assistant Deputy Minister Nedelcov-Anderson. So just to make sure I've got my head wrapped around it, we should look at perhaps last year's graduation rates . . . I mean, well hopefully the start of a trend, but at least at this stage a bit of an outlier just given the unusual circumstances in which graduates found themselves.

Ms. Nedelcov-Anderson: — I think we need to consider the pandemic, the situation at the time, mm-hmm.

Ms. A. Young: — Thank you. My next question, and theoretically final question, is in relation to 3.2, the partially implemented recommendation on page 237. It notes that the ministry expected to finalize its draft criteria and plans to begin assessing school divisions' plans prior to the end of the 2018-2019 school year. And I am, I guess, looking for an update on that as to whether this took place and what the ministry's observations would be.

Ms. Nedelcov-Anderson: — Yes, the ministry in collaboration with school divisions has completed a rubric that can be used to assess school division graduation plans. And that rubric has been sent to school divisions so they have access to it now. We did not collect school division plans for this school year just because of the nature of the pandemic.

Ms. A. Young: — Thank you. And one final question. And I apologize, Assistant Deputy Minister. I'm not sure if this is to you or perhaps to the auditor. But I note in the recommendation itself, it reads as follows:

We recommend that the Ministry of Education review each school division's Continuous Improvement Plan and assess its planned use of key effective strategies before approving the school division's budget for the related school year.

And now while I recognize this does come from the 2012 report and we are now in 2021, to me, just upon reading that, it seems to at least potentially contemplate some sort of performance-based budgeting or something to that like. And I'm just wondering if you could, while that has certainly not taken place in the intervening nine years, I'm wondering if you could offer some comment on the intention of that.

[10:45]

The Chair: — Looks like the auditor wants to respond, and then if there's a response from the ministry we can go there as well.

Ms. A. Young: — Sure.

Ms. Ferguson: — So what we're trying to get at there is the timeliness aspect, right, to create a timing and a scheduling so that it kind of gets into a normalized routine activity to tie it into something. So it's not to make it a performance base, but it's more that it's part of your routine that when you're reviewing stuff from a school division, it's part of that normal process, you know. And there should be consideration as you, you know, so

there's not an ad hoc, make it systematic.

Ms. A. Young: — Right. So it is more of a scheduling item as opposed to any . . .

Ms. Ferguson: — Yes, and there could be a linkage between the two, right? You know, there could be a situation where a division needs more resources in a particular area, you know. And so that, you know, it's part of that needs-assessment aspect, you know, one component of a needs assessment. But it's more of the getting it into that systematic, timeliness aspect in that you're considering it as all part and part of that larger picture.

Ms. Johnson: — And I think the only thing that I would add to that conversation is that — as I believe most of the people in this room, if not all of you, know — the operating grant that's provided to school divisions is, for the most part, an unconditional grant. And there are currently no plans to tie any amount or any part of the operating grant to graduation results. So that is not where the recommendation was going.

I think it is, as our Provincial Auditor described, more a case of timing the sharing of the information, and timing some potential opportunities, some best practices that might be shared with school divisions to consider as they are finalizing their budget allocations. Because as you know, with the operating grant not being conditional, for the most part school divisions can choose how they will allocate the funds that are provided to them.

Ms. A. Young: — Yes. Thank you. I know school divisions around the province appreciate the unconditionality of funding. And I guess my question was more along the lines of assuming this is constructively intended for the betterment of graduation rates among school divisions in the province, is there any contemplation of an impact on the funding distribution model or a weighting of factors based on the submission or evaluation of these continuous improvement plans and looking at where certain divisions may need more assistance in achieving these targets?

Ms. Johnson: — Well to that I would say that when it comes to the operating grant and the distribution, the funding distribution model itself, we are certainly open to input and feedback from all sources as to whether or not the distribution model is working as effectively as it can. To that end, we do have an operating grant advisory committee with membership from our key stakeholders, and should any of them ever identify opportunities for improvement in the distribution model as it relates to graduation in particular or any other element, we're always happy to take their recommendations into consideration.

Ms. A. Young: — Thank you. No further questions.

The Chair: — Thank you, good questions. Thanks for the information and the responses and the work on this front. Not seeing any other questions from members on this chapter, we'll conclude consideration of this chapter and we'll move along. I'll turn it over to the Provincial Auditor's office.

Mr. St. John: — Thank you. I'll present chapter 19 of our 2019 report volume 1, which starts on page 259. And this reports the results of our fourth follow-up of the Ministry of Education's progress towards addressing two remaining recommendations

initially made in our 2009 audit on processes to monitor school divisions' delivery of minimum required student instruction time.

By January 2019 the ministry had made limited progress in implementing these remaining recommendations. Although the ministry continued to actively monitor total instruction time through a review of school divisions' annual calendars, it did not actively monitor whether each school division provides students with the minimum amount of instruction time for required areas of study. For example, 210 minutes per week for grade 6 math.

The ministry last reminded school divisions of this expectation in 2017. The ministry did not check whether school divisions comply with this requirement. Rather, the ministry expects schools to monitor and report exceptions. We found this exception-reporting process was not working. Our testing found not all school divisions actively monitor whether they comply with the minimum amount of instruction time for required areas of study. Our review of school timetables for four divisions found three of the four did not meet the provincial minimum requirements for instructional time for various areas of required study, like math and science.

We also found the directors of education in these schools were not aware of these exceptions and hence did not report them to the ministry as the ministry expected. Active monitoring would help the ministry know whether school divisions meet the ministry requirements for instruction time. It would also help identify school divisions, if any, where it needs to take corrective action to ensure students receive sufficient instruction time for all areas of required study. Thank you.

The Chair: — Thanks for the presentation. I'll turn it over to the deputy minister for a response and then open it up for questions.

Ms. Johnson: — All right. In the interest of time, and knowing that we have three chapters following this, I'll keep my remarks brief. As has just been noted, there are a couple of recommendations in this report that are identified as partially implemented. And we are currently following up in the ministry with our school divisions to ensure that we're able to provide the information that's necessary for the auditor to examine our progress on the final two recommendations. So with that, I'll open it up for questions. And I'm sure between myself and Rory and Susan, we'll be able to respond appropriately.

The Chair: — Thank you. Questions? Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. Noting the deputy minister's comments, and I did remark to her earlier this morning that she had the misfortune of being up first and also representing a ministry with which I'm more familiar than others, so I do thank the officials here for their indulgence. I guess I have two brief clarification questions and one follow-up.

So the initial report was from 2010 and it notes as of, I believe it was 2008, that there was no record of whether or not this instruction time was being achieved. And my initial question is, prior to 2008 was this being monitored, or was 2008 kind of the first dip of the Popsicle stick, so to speak?

Ms. Johnson: — That might be a question that stumps us all. I am not able to answer that question. I don't have that answer at hand and I'm just looking to my colleagues. They're both shaking their heads to the negative.

Ms. Ferguson: — I think during that time frame, and, Susan, please correct me if I'm wrong, but I think during that time frame, the ministry clarified the handbook. There was a handbook that was provided to the school divisions. I think during that time frame, the wording in the handbook became clear that this was a requirement as opposed to sort of this general sort of guidance. So I think there was a bit of change in that era, I think, which caused us to do the audit. It was one of the motivations. Is that ringing true, Donna?

Ms. Johnson: — That's ringing bells for me, yes. I think you're referring to the registrar's handbook.

Ms. Ferguson: — Yes, I think so. I can't remember the name of it, but there was a handbook in there.

Ms. A. Young: — I guess to my more salient questions, and I saw the member from Arm River, I believe, nodding his head, who I think was a LEADS [League of Educational Administrators, Directors and Superintendents] member prior to his election. Is that correct? So you'd be familiar with calendars and timetabling and the consequences and complications there, so I do appreciate that.

But it notes on page 241 of this report that the approach taken by the ministry is to rely on school divisions to report exceptions and that, obviously, this technique has not been successful. So I'm curious if any school divisions have self-declared noncompliance, and if yes, what the consequences are; if no, what the approach would be for any school divisions that did declare non-compliance.

Ms. Johnson: — I am going to turn that question over to Susan, if I can, or possibly Rory. I'm not sure which has the details.

Mr. Jensen: — The ministry has been relying on school divisions to report noncompliance in this area. To my knowledge, we've had two school divisions that have reported to us that they were unable to achieve the school calendar requirements. We work with those school divisions through their calendar process to ensure that they are reallocating time to ensure to meet their instructional requirements and the minimum number of hours, instructional hours throughout.

Since the audits over the last year, the ministry is now, through the calendar process, we are identifying that school divisions are meeting the appropriate instructional time. The ministry also plans, throughout the school year, to follow up with school divisions to do checks with school divisions to ensure that they're following what their calendar is and meeting those appropriate instructional needs with the intent of having this recommendation fully implemented in the '21-22 year. Because we are going through the school calendars right now, and then in the '21-22 school year we will be following up with school divisions to ensure that they are meeting the instructional hours per their identified calendars.

Ms. A. Young: — Thank you. On my last follow-up, I'm

certainly not looking, nor do I want you to identify the school divisions by name, but I'm curious if the school divisions that have self-reported challenges with meeting hours of instruction would be school divisions that also have some challenges around recruitment and retention.

Mr. Jensen: — The school divisions that are dealing with their own unique needs, there is certain events that may take place in a school division around certain times, there may have been past traumas that have been realized in those school divisions that has created challenges for those school divisions to meet those instructional hours. And those school divisions, as we identify those, we're working with them to ensure that they are meeting the appropriate instructional hours.

Ms. A. Young: — Thank you. No further questions.

The Chair: — Thanks for the questions. Thanks for the work on this front and the responses. There's a lot to this piece. I think sometimes in the . . . I recall over the years in the policy field committees there's been, you know, different debate and conversation on these fronts. I've been a part of some of that conversation. But thanks for the presentation here today. I'll turn it over to the auditor's office for the next chapter.

Mr. St. John: — Chapter 20 of our 2019 report volume 1 starts on page 243. And we report the Ministry of Education implemented the final outstanding recommendation initially made in our 2015 audit on its processes to put into operation the sector strategic plan for the pre-K to 12 education sector. This is called the education sector strategic plan.

The ministry established a process to systematically review school division action plans and was preparing to share the results of its June 2018 reviews with school divisions by March 31st, 2019. The ministry appropriately takes the leadership and coordination role in implementing the education sector plan. That concludes my presentation.

The Chair: — Thanks for the presentation. I'll turn it over to the deputy minister and then open it up for questions.

Ms. Johnson: — And I will keep my remarks short here too. As the auditor's office noted, the outstanding recommendation has been fully complied with. So I'll just open it up for any questions.

[11:00]

The Chair: — Questions? Not seeing any, we will conclude consideration of this chapter and I'll turn it back to the auditor's office.

Mr. St. John: — Thank you. I'll present chapter 30 of the 2019 report volume 2 which starts on page 255. This reports the Ministry of Education implemented the final outstanding recommendation we initially made in our 2017 audit on its processes to manage the enforcement of its public-private partnership or P3 joint-use school project agreements.

By July 2019 the ministry actively monitored the maintenance services provided by the private sector partner responsible for both P3 projects, using expectations set out in the two project agreements. It obtained and reviewed regular reports from the

private sector partner for each project. It also worked with the partner to obtain services as expected and applied penalties consistent with the agreements when warranted, such as penalty deductions for service failures. That concludes my presentation. Thank you.

The Chair: — Thanks for the presentation. I'll turn it over to the deputy minister.

Ms. Johnson: — All right. As the auditor's office noted, it completed its evaluation on the effectiveness of the ministry's processes to manage the construction phase of the P3 joint-use schools in August of 2017. They had concluded that there were effective processes in place to manage the construction.

However one recommendation was provided regarding monitoring reports. Specifically the recommendation was made to enforce all reporting provisions of the agreements, and that recommendation was made because the ministry did not receive monthly equipment and furniture procurement reports as required. The ministry has acknowledged its responsibility to enforce all reporting provisions and is doing so. So this recommendation is now considered implemented.

But again, happy to take any questions you may have.

The Chair: — Questions from committee members? Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. I believe I have two questions. In regards to the lag between the 2017 report and the 2019 implementation of the enforcement of reporting provisions of the P3 project agreements, is that two-year gap — and you did note it was around furniture reporting and whatnot — related simply to the novelty of the experience of joint-use schools and P3 builds in the province and the ministry's management thereof? Or am I misunderstanding?

The Chair: — To the auditor, we'll let them . . .

Ms. Ferguson: — That's probably us. What we do on these types of engagements, when we do a performance audit we make recommendations, and then we'll leave generally a two-to-three-year time frame to give the organization time to implement. And then we go back and assess the status after that two-or-three-year time frame. So in this case, the two-or-three-year time frame reflects the timing of the work of our follow-up audits.

Ms. A. Young: — Okay, thank you. I guess my second question is related to the penalty summary report noted on page 257 of chapter 30, and it notes that it contains information on service deliveries and service failures, planned corrective activities, and penalty adjustments, if any, made to its billing. And I'm wondering if there's any comment that can be made in regards to how many service failures have been reported to date, and what the value of the penalty adjustments has been to date.

Ms. Johnson: — I do not have that information handy, but we certainly can make it available to the committee.

Ms. A. Young: — Thank you. That would be much appreciated.

The Chair: — Thank you very much for endeavouring to get that information to us. That would be supplied through the Clerk, and then we'd all receive that information. Thank you very much.

Ms. Johnson: — Absolutely, thank you.

The Chair: — Any other questions?

Ms. A. Young: — No further questions.

The Chair: — Any other questions from anyone on this front? We'll conclude consideration of this chapter and turn it back over to the auditor's office, I believe, for our final chapter with the Ministry of Education this morning.

Mr. St. John: — Thank you. I'll present chapter 31 of our 2019 report volume 2, starting on page 259. This reports the results of our first follow-up of the Ministry of Education's progress towards addressing four recommendations we made in our 2017 audit on processes to monitor kindergarten students' readiness to learn in the primary grades.

By September 2019 the ministry improved its processes to monitor kindergarten readiness. It implemented two and partially implemented the other two recommendations. The ministry analyzed kindergarten early years evaluation data to identify school divisions whose students are most at risk of not being ready to learn in kindergarten. It also actively monitored kindergarten programs delivered by school divisions, such as periodically meeting with and surveying school division officials and reviewing school divisions' early years action plans.

The ministry had not taken specific actions to assist the seven school divisions it identified as having students most at risk of not being ready to learn in kindergarten. It also had not yet provided school divisions with feedback from its review of the early years action plans. Taking specific actions to assist identified school divisions and providing all school divisions with feedback on early years action plans will reduce the risk of future students not being ready to learn in the primary grades upon exiting kindergarten. Thank you.

I can pause now for the committee.

The Chair: — Thank you very much for the presentation. I'll turn it over to the deputy minister.

Ms. Johnson: — All right, thank you. As was noted, two of the four recommendations for this chapter have been implemented. The outstanding recommendations, the ministry is working on. And we are certainly committed to working with the school divisions to ensure that they have all of the assistance and advice that we are able to provide them. So with that, I will open it up for questions.

The Chair: — Thank you. Questions? Ms. Young, Regina University.

Ms. A. Young: — Thank you. My first question refers to the metric cited on page 260, of 80 per cent of exiting kindergarten students being scored within the appropriate EYE [early years evaluation] range. And an acceptable answer to this question is, Aleana, you are mistaken. But this seems higher to what I recall

the outcomes being. And I did note, it says adapted from information provided by the Ministry of Education. But is this the same measure that I believe it was Greg Chatlain was reporting on as his portion of the ESSP [education sector strategic plan]?

Ms. Johnson: — Yes.

Ms. A. Young: — Okay so it is . . . Well as of 2018-2019 at 80 per cent?

Ms. Johnson: — That's correct.

Ms. A. Young: — Perfect.

Ms. Johnson: — And that is the exiting kindergarten measure, yes.

Ms. A. Young: — Yes, and do you have available the numbers for 2016-17? And also '19-20?

Ms. Johnson: — I believe they will be practically the same.

Ms. A. Young: — Perfect. Thank you. We would appreciate those as a committee at your convenience if available.

The Chair: — Just to follow up on that point. Is that all right to commit to endeavour to bring that information back to us?

Ms. Johnson: — The years you were asking for again?

Ms. A. Young: — The previous year, 2016-2017, 2017-2018, and '19-20.

Ms. Johnson: — I have a chart here that provides '17-18, '18-19, and '19-20. I don't have '16-17 with me. But if you would like me to follow up in writing, I can. If you'd like me to share what I have, I can.

Ms. A. Young: — Writing would be fine.

Ms. Johnson: — Okay.

Ms. A. Young: — My next question's recommending I've misused our time here today. I do understand that the current early years framework expired in 2020 . . . or agreement, pardon me. And my understanding is perhaps that the bilateral agreement has also expired, the federal one, and I'm curious if you could provide an update on that in the context of early learning for the province of Saskatchewan.

Ms. Johnson: — So the early learning and child care bilateral agreement with the federal government was first entered into, I believe, in 2017-18. Initially that was a three-year agreement worth about \$41 million, roughly thirteen and a half million dollars a year. So the first three years took us to March of 2020. And in the year 2021 there was a one-year extension so that agreement is in effect to March 31st of 2021.

The feds have also made an announcement to indicate that the funds associated with those bilateral agreements will continue. So we are expecting to negotiate a new multi-year agreement with the federal government here shortly for a multiple . . . I'm

not sure if it's a three- or four-year period going forward, but it will be a multi-year agreement with the feds for that.

Ms. A. Young: — Excellent. Thank you. And is that distinct from the federal money that has been committed as part of the COVID response in relation to . . .

Ms. Johnson: — It is, yes.

Ms. A. Young: — Excellent. Thank you. My next question, I suppose, is related to . . . I think this is something everyone in the education sector obviously feels passionately about in terms of if you're going to put money anywhere, the early years is a critical area to invest in. And I'm just curious. Reading through this section, obviously there are a great number of challenges identified. And what actions is the ministry empowered to take to concretely assist school divisions in preparing kindergarten students to be ready to learn at the primary grades given the factors listed in this chapter, many of which are issues of adequacy and socio-economics as opposed to necessarily pedagogical ones?

Ms. Johnson: — You raise a very, very good question. I'm just collecting my thoughts as to how to best reply because the early years area is a complex area, as I'm sure everybody here can appreciate.

When we're talking about the K to 12 [kindergarten to grade 12] system, there are opportunities for students as young as three years of age in our pre-K programming, in our designated pre-K programming. There is of course kindergarten, which is not mandatory but which has a very high enrolment rate, well over 90 per cent. Kindergarten of course is a primary support in getting children ready to learn, as has been noted by the auditor in her chapter. Eighty per cent of the children exiting kindergarten are assessed through our early years evaluation tool as being ready to learn and ready for grade 1.

And when you back that up and you look at all of the years for childhood development, from infancy straight through to five years of age, there are a number of other opportunities, opportunities for supports, assistance, and that sort of thing. So we have, within the early years branch — so this is outside of the K to 12 system — we have, of course, quality licensed child care, which again cannot be underestimated in the impact and benefit it has in early childhood development and the benefits that it will have ultimately when children enter kindergarten.

There is also the ELIS [early learning intensive support] program, early learning interventions, the ECIP [early childhood intervention program] program. Also funded by our ministry, our child nutrition programs which are again important particularly for the early year cohort.

And then in terms of what other things does the ministry do, or can the ministry do, we do work with our other ministry partners, whether that be Social Services or the Ministry of Health to look at strategies that cut across each of our mandates. That again can have beneficial opportunities for students in the early years.

Ms. A. Young: — Thank you. I have two final questions, I believe. I note on page 262 it lists that better analysis related to the development of kindergarten students will assist the ministry

in assisting those school divisions with students who are most at risk and helping the ministry focus its resources there.

[11:15]

I think this is an admirable goal and certainly I was heartened to hear your previous comments around the prioritization of early years. And again I feel like, I think it's the second time I've mentioned the funding model, but this seems to contemplate at least a change to the weighting of factors, and I'm wondering if that's something that's being considered in terms of prioritizing that kindergarten readiness-to-learn portion.

Ms. Johnson: — There currently are no plans to adjust the funding distribution model as it relates to any of the recommendations in this chapter. But as I mentioned previously, with our advisory committee, should any recommendations come forward, we would certainly take them seriously.

Ms. A. Young: — Thank you. My final question is forward-looking and I think this is an incredibly important metric for the ministry and certainly for this committee and the legislature overall in contemplating education. But my understanding, which is a bit out of date, but at least as of last year, was that the sector overall was seeing a decrease in kindergarten enrolments as a consequence of the COVID-19 pandemic. And in fact, I believe at that point it was even extending into first grade and there was some work being done with families to make sure that they understood that there is an obligation to have your children in the K to 12 education system by that point.

And I'm curious if you can offer any comment on the challenges that this metric may have moving forward, or steps that are being taken to ensure that there's potentially not a drop-off in this 80 per cent number. Or perhaps if there's an increase, what active steps and evaluations are going to be taken to address this given, I think, the novelty of the current situation?

Ms. Johnson: — Right. So what I would offer in response there is a couple of data points, I guess, and then some comments. With respect to kindergarten, you alluded that a number of parents have opted to keep kindergarten-aged children at home, either home-schooling them or doing some kind of remote learning. Or given that kindergarten is not mandatory in Saskatchewan, possibly they are not engaged in any particular instructional activities.

Now in terms of numbers, the report on page 260 talks about almost 14,000 kindergarten students. There are on average between 14,000 or 14,500 kindergarten-aged students in most years. When we look at the enrolment for kindergarten-aged students this year, we are down by about 900 compared to the previous year. So certainly the vast majority of people have chosen for their kindergarten-aged children to continue to attend school. But having roughly 900 kindergarten-eligible-aged kids not attending kindergarten will have an impact on the grade 1 environment when they do come to school in the fall of 2021.

So what we're currently doing is working with our partners in education, so with the SSBA [Saskatchewan School Boards Association], the STF [Saskatchewan Teachers' Federation], LEADS, and SASBO [Saskatchewan Association of School

Business Officials]. And we are working with our members of the provincial education plan implementation team, which is comprised of our 27 school divisions along with a number of members from, I believe, roughly 30 First Nation education authorities.

And we are actively working on assessing what the impact of those students being absent from kindergarten might have on the new school year. So working in concert with them, we'll be putting together a plan to identify the extent of the impact and the nature of the actions that can be taken to address the potential impact here.

Ms. A. Young: — Thank you. No further questions.

The Chair: — Thank you. And that last question was such an interesting one. It was borderline outside the scope of the committee just announced because it was so forward-looking, but it's also a reality that we're living through right now and you're allocating resources and responding, you know, to this area of focus, so thank you. Thank you for the question and thank you for the thoughtful response.

Not seeing any other questions from folks at this point, we can conclude consideration of that chapter. And I guess at this time, I'd just like to thank the deputy minister, the senior officials from Education that have joined us here today. And through you to all those involved in the work in the Ministry of Education and all those partners in education, all those in the school boards, all those teachers, all those on the front lines of education. This is, you know, an exceptionally challenging year for all involved in education — students, parents, and all those involved in the delivery — so sending care and thanks to all that are out there providing that important service.

What we'll do now is we'll adjourn very briefly to clean the table and haul in the Ministry of Immigration and Career Training.

[The committee recessed for a period of time.]

Immigration and Career Training

The Chair: — Okay, we'll reconvene the Standing Committee on Public Accounts and we'll turn our attention to the Ministry of Immigration and Career Training. We have Deputy Minister Repski with us and officials that he'll introduce when he's bringing remarks.

And we have one chapter, a chapter from a few years back, that we're going to consider this morning. I'm going to turn it over to the auditor for presentation and then we'll flip it over to Mr. Repski.

Ms. Ferguson: — Thank you very much. So the chapter before us does not contain any new recommendations for your consideration. Just as a bit of a backstory, under the shared services model the Ministry of Immigration and Career Training handles the monitoring of IT service providers that the Ministry of Energy and Resources, its own ministry, and Trade and Development use. These ministries were part of the former superministry, Ministry of Economy, so hence the changeover in the name.

So the chapter before us is chapter 17 in our 2017 report volume 1. And what we were doing is reporting that by March 2017, the ministry of the then Economy fully implemented recommendations we first made in our 2014 audit of its processes to monitor IT service providers. It indicates that the ministry updated its agreements for each of its three major IT service providers.

We found that the agreements themselves, each of them contained appropriate provisions that allowed for that monitoring of those security requirements and, more importantly, also reporting back against those requirements. We found that the staff followed that updated agreement and were actively monitoring the service providers and taking corrective action where needed.

So that concludes my presentation, and we'll turn it over to the committee.

The Chair: — Thank you, Auditor. I'll turn it over to the deputy minister.

Mr. Repski: — Yes. Thank you, Mr. Chair. Thank you to the committee. I agree with the comments from our Provincial Auditor. With me today, Chief Financial Officer Denise Haas.

Regarding the three recommendations that were made, as indicated all three have been implemented through the ministry of the Economy: maintaining agreements with IT service providers, include adequate provisions for security requirements, establish written policies. The former ministry of Economy implemented all three recommendations, and I'm happy to say that these implementations are still in effect today.

The Chair: — Thank you for that. Committee members? Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. Nice to see you, Deputy Minister. I do recognize that these are from 2014 and this chapter is from 2017. But I figure you've come all this way in the cold so I will take advantage of your presence, maybe just to ask a couple of questions to expand certainly my own knowledge and hopefully not bore my fellow committee members.

I do note the three main IT service providers listed in this report. And do these remain the same three to date?

Mr. Repski: — I'm being told by the officials, yes. Yes, they are.

Ms. A. Young: — Excellent. Thank you. And I note on page 218 there are references to the then ministry of Economy signing an updated agreement with Alberta's Energy ministry. And I'm curious what the timelines are of that, and if it's come due or basically what the life cycle of these agreements is.

[11:30]

Mr. Repski: — Okay. How about you come to the mike? Yes, I'll defer that question.

Ms. Haas: — Hi there. Thanks for the question. The agreement with Petrinex is a multi-year agreement, but it has been renewed

since this time. And those stipulations that were put in to ensure we had all the security requirements and the reporting and everything, they remain as part of that standard agreement.

Ms. A. Young: — Thank you. So the citation below noting that every year Alberta is to give the then ministry of the Economy an audit report on the effectiveness of those security processes, those reports have been received?

Ms. Haas: — Yes.

Ms. A. Young: — Okay, excellent. And I have one final question, I guess, again, just to take advantage of your presence. I'm just curious if you can explain just that distinction piece why Economy is signing updated agreements with Central Services, which are now housed under your ministry. Is that just a legacy piece from the former ministry of Economy or . . .

Ms. Haas: — No. ITD [information technology division] is the central IT ministry of the government. And so when there's agreements that are signed with IT providers, they are also involved in that, and they will either sign on our behalf or we co-sign. It's part of the requirement of the governance of IT in the government. Okay?

Ms. A. Young: — Awesome. Thank you so much. I have, I guess, one more question. How long has the Government of Saskatchewan maintained this joint use . . . Is it Petrinex? How long has that relationship been established for?

Ms. Haas: — You're going to test my memory a little bit. We entered into that agreement with Petrinex when we did our regulatory inclusion project so I might be off one year, give or take. I'm going to say 2014 or '13.

Ms. A. Young: — Excellent. Thank you. I will forgive you for being off a year or two. These are probably unexpected questions for a relatively brief chapter, so I appreciate it. And I believe I have no further questions. Thank you, Mr. Chair.

The Chair: — Thank you very much. Mr. Goudy or any other committee members? All right. Well listen, we'll conclude consideration of this chapter. Thanks so very much to Deputy Minister Repski and the officials that are part of the work here today and part of the work every day in the ministry.

And at this point in time I guess we'll recess and reconvene at 1 p.m. with the Ministry of Energy and Resources.

[The committee recessed from 11:33 until 13:01.]

Energy and Resources

The Chair: — We will reconvene the Standing Committee on Public Accounts here this afternoon. Thanks to committee members. Thank you to the officials that have joined us now from the Ministry of Energy and Resources, Deputy Minister MacKnight and officials. We appreciate you being here. We'll turn it over to the auditor to make presentation on the first chapter under consideration here today and then we'll call for your response. And, Deputy Minister, if you can introduce your officials at that time, that would be great. Okay, I'll turn it over to the Provincial Auditor.

Ms. Ferguson: — Thank you, Chair, Deputy Chair, members, and officials. This afternoon I've got with me again Mr. Kelly Deis. Kelly remains to be the deputy responsible for the environment and infrastructure section in the office, which Energy and Mines is part of that portfolio. He's going to be presenting each of the two chapters this afternoon separately as they do relate to different topics. Only the first chapter contains new recommendations for this committee's consideration. So before we launch into the presentations I do want to extend my thank you to the acting deputy minister and his team for the co-operation extended to our office during the course of this work.

Mr. Deis: — Each year the Ministry of Energy and Resources levies just over one billion of revenue from the production and sale of Saskatchewan's non-renewable resources like enhanced oil recovery, potash, uranium, and coal. The ministry uses its audit of producer royalties and taxes as their primary way to validate the accuracy and completeness of taxes that producers remit. In 2018-19 there were 22 enhanced oil recovery producers operating 68 projects, 3 potash producers operating 10 mines, and 4 uranium producers.

The ministry completed 55 audits in 2018-19 and 22 audits in 2017-18. The 2019 report volume 1, chapter 4 starting at page 43 reports the results of our 2018 audit of the ministry's processes to assess the completeness and accuracy of producer royalty and tax returns for potash, uranium, coal, and enhanced oil recovery. We concluded the ministry had generally effective processes with improvements needed in the five areas reflected in our recommendations. I'll focus my presentation on those five recommendations.

On page 51 we recommend that the Ministry of Energy and Resources estimate staff time and costs required to audit producer returns for non-renewable resources production, taxes, and royalties. The ministry did not formally determine staff time and costs necessary to complete audits of producer returns it targets within two years of a producer filing a return. The ministry did not compile on an overall basis estimates of staff time necessary to complete audits for the upcoming year to determine whether the audits it expected to complete was doable.

At the time of the audit, December 2018, the ministry was significantly behind in the completion of audits of producer returns, up to five years behind on potash audits, and up to four years behind on uranium audits. It had not completed audits of 85 producer returns related to years on or before 2016. It did not have a clear long-term plan to address this backlog. Having a consistent process to budget and estimate expected staff time and costs necessary to audit returns would help the ministry determine its staffing requirements to complete audits within expected time frames. In addition, having budgets and tracking time spent would enable monitoring the timelines and efficiency of its audits and identify areas for improvement. Being behind in completing audits increases the risk of not collecting assessment dollars if producers sell or cease operations before the ministry verifies the amounts remitted.

From April to December 2018, ministry audits resulted in reassessment amounts to about \$26 million of additional revenues and \$4.5 million of revenues to producers.

On page 53 we recommend that the Ministry of Energy and Resources maintain its audit manual used during audits of non-renewable resources production taxes and royalties. The ministry's audit manual was not up to date, as it was last updated in 2005. A review of the manual found it did not reflect the ministry's current audit practices and expectations for auditing producer returns. Not keeping the audit manual up to date increases the risk that the procedures become outdated and staff view it as irrelevant. This in turn increases the risk of staff not following it when auditing producer returns.

On page 55 we recommend that the Ministry of Energy and Resources consistently document key audit decisions, audit procedures, and results of audit work in files of audits of producer returns for non-renewable resources production taxes and royalties. Our testing of 10 ministry audits found auditors often did not consistently document key audit information, nor complete certain audit work in audit files.

Also, ministry auditors did not always follow the ministry's expectations of documenting for key decisions such as expected audit resources required, expected audit completion dates, and rationale for audit materiality or sampling decisions. Documenting key audit decisions and results of audit work shows the audit is appropriately designed and executed. Inconsistent and incomplete documentation and audit files can result in not having sufficient and appropriate support for audit results and for the basis of additional revenue assessments or refunds.

On page 56 we recommend that the Ministry of Energy and Resources complete quality reviews of audit files of producer returns for non-renewable resources production taxes and royalties before finalizing audit results. For three of eight audit files we tested, the ministry did not complete quality reviews of audit files before issuing final notice of assessments to producers or paying refunds.

We did not note any instances where the later review resulted in the ministry having to change the assessed amount. Our testing noted file reviews did not always make sure audit files for audits of producer returns consistently documented audit plans and audit work as expected. Not having a timely review process increases the risk of ministry staff identifying errors after a producer has already made payment or received a refund.

On page 58 we recommend that the Ministry of Energy and Resources routinely monitor actual-to-planned staff time and costs to audit producer returns for non-renewable resources production taxes and royalties. Senior management did not receive information to enable monitoring whether the audits and returns are completed as planned.

A review of the semi-annual reports that management received found the reports did not provide insight as to if ministry audits were on target for completion as set out in the approved branch plan. Routinely comparing actual resources used to planned resources would help assess whether the ministry is achieving its plans and, if not, allow for timely decisions on adjustments required. And this concludes our presentation. I'll pause here.

The Chair: — Thank you for the presentation and the focus. I'll turn it over to the deputy minister. And if he can introduce the officials that are with him here today and briefly respond to this

chapter, then we'll open it up for questions.

Mr. MacKnight: — Thank you very much, Mr. Chair and committee members. Thanks for the opportunity to speak to you today about our response to the provincial audit recommendations relating to our audits of producer returns. With me today, I have Kim Olyowsky who's the executive director of our revenue and business systems branch that oversees our revenue programs, including audit. And at the back is Rosanne Boyarski, who's our manager of audit and has led the work that I'm going to speak to today about our response to the provincial audit.

As indicated by the auditor, the ministry operates a number of very complex revenue programs. It generates revenues to the people of Saskatchewan and supports development of our non-renewable resource sector. The audit recommendation focused on those revenue programs where our audit staff must rigorously consider the value of sales, but equally importantly is the cost reported in relation to those programs as well as management of capital banks in relation to the revenues.

So these programs in and of themselves are quite complicated, and the audit is critical for ensuring that the Crown gets the revenues it's owed or, where there's an overpayment, that we honour those overpayments by way of refund. These audits take a lot of time, depending on the risk and complexity, and that time demand is on both ourselves and the taxpayer.

But as the Provincial Auditor correctly notes, backlogs of unresolved audits occur and have been a challenge for the ministry. We fully agree with the Provincial Auditor's assessment that backlogs create risk to the ultimate collection of debts due to the Crown, and we are committed to addressing those risks. The audit in 2018-19 of our audit program was timely and helpful. The ministry's audit staff have been reconsidering its approach to audit for some time owing to the challenges associated with backlogs. And I emphasize that the recommendation of the Provincial Auditor has helped provide focus to our business process improvements in this area. At this point the ministry is of the view that it has implemented all five of the recommendations, but of course we wait for follow-up for that final determination.

So I'll quickly review our progress to date. Recommendation 1 deals with managing staff time and cost in relation to audits. Put simply, it means ensuring that we're optimizing the use of our audit resources and deploying our staff effectively. The ministry has put in place systems to track time and cost and is now factoring that information into our audit planning and execution. This system also allows us to compare actual amount of time spent with estimated time, and this helps us fine-tune our decisions around resourcing and time frame. So all of this has been incredibly beneficial to us in terms of trying to optimize our resourcing.

Recommendation 2 focuses on ensuring that our audit plans and audit manuals fully align in terms of risk identification and expected timelines. The audit also noted inconsistency between policy and practice and the documentation in the manuals. I can confirm that our audit manuals have been updated, and the deficiencies identified by the auditor have, in our view, been addressed. But I also want to emphasize we put in place

procedures so that that drift or gap doesn't happen moving forward. So overall we're confident that there's a better alignment between our planning, our manual, and our policies and procedures.

Recommendation 3 deals with improving documentation around individual audits and audit decisions. Based on the recommendations of the auditor, the ministry has developed some comprehensive templates to ensure consistent documentation by auditors of all audit findings. But just as importantly, there's been development of documentation standards for all auditors regardless of which royalty tax program they are auditing. So generally more documentation is always helpful, but consistent documentation and templates and standards is oftentimes the critical aspect of making that happen.

Recommendation 4 focuses on ensuring that audit files and findings are properly reviewed before the audit is finalized. This helps ensure completeness and proper documentation. I just want to emphasize that we've had a longstanding practice of having audits reviewed by a second auditor as part of the quality control procedure. However, as the auditor noted, some of these reviews were being done after the audit had been finalized and sent out. This should not have occurred and we've taken steps to implement procedures to that effect. And one of the critical changes is that our audit manager now reviews all final audits before they go out to the taxpayer.

[13:15]

And finally, recommendation 5, which builds off recommendation 1 related to tracking audit costs and time, specifically time and expense incurred to carry out audits. And as noted earlier, we put in place a system to do that and we are doing that as we speak. So overall, we're pretty confident that these measures, together with other actions planned by the ministry, will allow us to achieve our goal of clearing audit backlogs by the end of '24-25. And I just want to emphasize that every year that passes we get a new set of audits and it's pretty challenging to keep up. But obviously our goal is to get the backlog down and our planning horizon right now is '24-25 year-end.

There are some challenges that I'd like to fill the committee in on so that it might help with a little bit of a context of what we are dealing with in terms of trying to get to our target. First in '17-18 we introduced a new system for penalties related to audits to encourage more accurate reporting and timeliness. But along the way we've also allowed taxpayers to refile their producer returns based on an audit. So if they had an audit for 2016 and the audit result would affect 2017 as well, we give them a grace period to re-file. That re-filing process can delay our audit, as we allow them to restate it.

What that does for us, though, is mean the subsequent return is more accurate. The reporting is more timely, but it does delay our ability to start auditing those when they're re-filed. Now in response to this challenge, we have been updating information circulars as we go to make sure, as things are discovered, they're documented and the client is better able to make sure that they make the correct decisions with respect to their reporting.

Secondly we're working on building our internal capacity to

conduct audits. We've added staff. But more particularly we're looking to try doing cross-training across the various programs so we can move auditors from, say, EOR [enhanced oil recovery] over to uranium or from uranium on to potash. Sounds easier said than done. These programs are quite complex. It will take time. But the payoff for us is being able to more optimize the audit resources we have against the programs where we're experiencing challenges.

Another challenge since 2019 that's actually helped us in some regard has been the lessons learned from the travel restrictions caused by COVID. Initially the travel restrictions were affecting our ability to audit because it's hard to send your auditor out to review books when you're not allowed to travel. But ultimately many of our taxpayers have chosen to allow us access to their electronic records, and so we're able to do more audits remotely. And that also allows us to have junior and senior auditors working together on audits and increases the learning capacity. So this is going to be one of those longstanding benefits for us. It'll reduce our costs in terms of audits but also improve our timeliness.

And finally we continue to invest in IT to free up audit time and improve our risk assessment. EOR, enhanced oil recoveries, are a major source of our backlog. We've automated some of the reporting in with our integrated resource information system to cut down on errors in terms of reporting and also make the filing easier, and our clients were involved in working on the development of that system. We have another enhancement to roll out this year.

So that's a little bit of a progress report. We have a ways to go, but we think we have the foundation in all these measures, plus the additional things I've mentioned that will allow us to get to our goal of no backlogs by the end of '24-25. For us a backlog is two years including the current year. Is that correct? Good. Guess who's not the auditor. And yes, I turn it back to the committee for any questions, and I will likely have to rely on my colleagues for details around some of the programs, but thank you.

The Chair: — Well thank you very much. Thank you for all the work on this front. It's a real important area of work. I'll open it up for questions. Ms. Young, Regina University. It's becoming a bit predictable.

Ms. A. Young: — I know, I'm sorry. Thank you and apologies for not paying as much attention as I should have during your introduction, so I'll ask for your indulgence if I do ask a question to which you've already answered. I note you did provide an update on the current backlog and the steps that are being taken to address this, but my question is . . . I guess maybe let me just speak for a moment to make sure I do understand the concern.

The concern is essentially that there's a backlog of audits and in this backlog, the result could be that either the producer or the government has over- or underpaid in one way or another, which leads to a discrepancy that then has to be rectified retroactively. Is that correct?

Mr. MacKnight: — Correct. Yes.

Ms. A. Young: — Leading to potential interest charges or others. Do you have a clear figure of what the current cost of that risk or

that kind of unknown liability — I'm not sure what the right language is — to date?

Mr. MacKnight: — Yes, well that's a . . . You're asking to quantify some estimate of what monies are at risk in terms of the outstanding audits? Well there's a couple of ways to look at it. First of all, under *The Mineral Taxation Act* and several other Acts, we have an ultimate period of four years for going back in terms of audit period. So although our backlog can extend past four years, generally it occurs with the consent of the client, where they are seeking some accommodation or timing. But our number of year four or fives probably are the best metric. Our five-years right now: two on enhanced oil and three on potash production tax. So about five.

But in every one of those cases, Kim, we have consent from the taxpayer for those audits, correct? . . . [inaudible interjection] . . . Yes. So ultimately, there's no real risk in the sense that we will, once the audit's concluded, be able to confirm the amount of tax paid — if we're owed money or if there's a refund. The issue ends up being the interest that we may have to pay for an overpayment. Of course there's penalties for underpayment. And I don't have those numbers with me right now, in terms of estimating what those are. They're not large in relation to the revenues we're talking about, but that would primarily be the risk.

Ms. A. Young: — Okay, thank you. And I guess perhaps I'm misunderstanding. I was looking at 4.4 on page 49, where it details, "clear long-term plan to eliminate the backlog of audits needed." And I guess maybe, is it possible to get a summary of . . . It notes here that there is a backlog predating 2016, and I guess I'm curious where that's at currently, and if there are any producers . . . And forgive me, you've been using the word "taxpayer." I'm not sure if that's like a particular term to the ministry that's technical and I'm missing, or if that's just used to refer to the . . .

Mr. MacKnight: — Producers is fine too. We generally use taxpayer or royalty taxpayer, but the jargon around our shop tends to be taxpayer.

Ms. A. Young: — Okay, perfect. So is it possible then that the ministry would be auditing taxpayers who are no longer operating?

Mr. MacKnight: — I'm going to defer to my colleague, I think. Rosanne, the question is, are all of our companies with outstanding audits, are they still in business?

Ms. Boyarski: — Yes, they would either be in business or . . .

The Chair: — Oh, sorry.

Mr. MacKnight: — I'll have to get the introduction, correct?

The Chair: — Yes, thank you very much. We'd appreciate, just so we can get it on the record, to come up to the microphone. Thank you. And then just state your name when you come on up.

Ms. Boyarski: — Hi. I'm Rosanne Boyarski. The question was, is any of the producers no longer operating? The producers in the specialty potash area are stagnant. They have been there for a

long time, no change in that. And the enhanced oil producers, they are also pretty stagnant and around and still operating.

Ms. A. Young: — All right. So there is no risk to the government then, or it has not occurred that there are any producers . . . [inaudible] . . . primarily on the EOR side, which is a fixed investment but less so than a potash mine. There is none that have ceased operating that still have outstanding audits?

Ms. Boyarski: — No.

Ms. A. Young: — Okay, no. Great.

Mr. MacKnight: — Certainly to your point, the kinds of audits we're talking about are large mines, EOR, uranium mines. They're not your typical well, you know, those collection areas with small operators and things like that are, but you know, they don't require the deep, deep audits. It's usually a collection activity within a year's outstanding arrears.

Ms. A. Young: — Perfect, thank you. I had one additional question, which I believe related to the frequency of audits, which — pardon me, I'm one-handed flipping through this — but I believe there is a distinction. There is a difference in the frequency of audits between potash producers and EOR producers. And I'm just wondering, this being my first meeting, if you could maybe detail the rationale behind the . . .

Mr. MacKnight: — Which page are you referring to?

Ms. A. Young: — I am trying to find that.

Mr. MacKnight: — Okay.

Ms. A. Young: — On page 48 it says ministry auditors leverage on an annual basis, and for non-renewable it is done quarterly.

Mr. MacKnight: — Okay. Yes, that one is fairly straightforward. Our main computer system for oil and gas is the integrated resource information system. That system has been underdeveloped for some time. It's quite an advanced system and all of our production sales data gets tracked in that system. So that first bullet for oil is related to the data in that system being the source to inform the audit. And if you recall, in my presentation I mentioned we're adding enhancements to that system to deal with some of our EOR reporting challenges so that we sort of use the same platform for the industry reporting to our data, to our audit. That's that one.

The other bullet, though, deals with our other revenue systems, and one day we may get there but right now those programs are managed through different data systems. Certainly it would be a goal of ours one day to put them into IRIS [integrated resource information system] but we're not there yet.

Ms. A. Young: — Excellent. Thank you.

Mr. MacKnight: — I would also just note on that second bullet, those other programs still are kind of paper-based reporting systems where documents have to be submitted on a monthly or quarterly basis. The IRIS system, the production data goes in there monthly by the operator within some pretty tight timelines so the data is kept current in that system.

Ms. A. Young: — Excellent. Thank you. I have two remaining questions. The first relates to recommendation 3 on page 55 where it provides the rationale that the ministry document key audit decisions. And it notes in the paragraph above that, the risks of having insufficient or appropriate support for audit results. And I'm just curious, are audit results ever contested? And I guess, if it does happen, is it something that's at a frequency that you would deem relevant?

[13:30]

Mr. MacKnight: — Well the audit process that our auditors follow, and I can get them to detail it, but it's not unlike the process the Provincial Auditor would do with this program. They'll give us insights into their findings, allow us to comment back. Similar process, which oftentimes means why it takes so long to close is to give them an opportunity to review the findings, provide any additional comments back.

From time to time, they may also challenge our auditors on questions of regulatory interpretation, and so that may involve our policy shop. So there's a fairly fulsome process, especially on complex audits where there's back-and-forth and information exchanged, and so that, by and large, is the audit process.

Now it'll depend on the nature. I think it's fair to say the potash folks are fairly rigorous in going through it. EOR is a little more predictable, but it's been somewhat slower just by the sheer number of them. But generally that process is fairly well established. There's also discussion even before the audit starts as to the audit approach and planning, so it's a fairly in-depth process with the client.

Ultimately if they don't like our findings, they can go to the board and have it appealed. But usually, you know, I can't remember the last time we were at the board on a matter. Yes, it's not common. It's a fulsome back-and-forth.

Ms. A. Young: — Thank you. I believe my last question is related to penalties and interest, and it notes on page 57 the mechanisms that the ministry has to levy penalties on assessments. How much has been levied through these penalties?

Mr. MacKnight: — Now that one I'm going to have to defer to my colleagues. Okay, Kim, I'll let you . . .

Ms. Olyowsky: — Good afternoon. I am Kim Olyowsky, the executive director of revenue and business systems. So the question was how much have we levied in penalties. So what I can tell you, in the fiscal year 2018-19 we levied just over \$241,000 in penalties. And in the fiscal year 2019-20, we levied just over \$1.4 million in penalties.

Ms. A. Young: — Thank you. And I guess just to make sure I totally understood, because my interest in approaching this chapter was around that backlog and theoretically the unknown amount of money that could be owed either way on the producer or the government side. And I just want to make I fully grasp that that in terms of that unknown liability, I guess. I believe I understood from the previous comments that that's really not a substantive amount of money.

Ms. Olyowsky: — It's normally not a substantive amount of

money, no. I can tell you in again fiscal year '18-19, in interest that the government paid out was just over \$104,000. And then in '19-20, just over \$73,000. So in terms of the dollars that are collected on the assessments, those are small dollars.

Ms. A. Young: — Okay, great. Thank you. I have no further questions on this chapter, Mr. Chair.

The Chair: — Thank you. It's really interesting information as well. And really important work. So when I'm looking at the 1.4 million that was used as an example that were collected in levies in the one fiscal year, so that would represent, I guess, likely 10 times that in errors. Or that was where the government chose to exercise that levy, so errors may exceed that. There'd be a threshold for when that levy was applied. Or what is the threshold? Is it applied on any dollar that's in error?

Ms. Boyarski: — Hi. The penalties are a straight 10 per cent of the amounts outstanding. Interest on audit findings is at prime plus 3 and interest on any refunds are at prime. So that's how it calculates. So whatever the findings are, it's 10 per cent. Thank you.

The Chair: — Thank you. Thank you very much for that information. Any other questions from committee members at this point? Not seeing any, we have these five recommendations. These are new recommendations in this chapter. It's been identified that because of the work of the ministry, these are now in compliance, that these recommendations have been implemented. So I would welcome a motion by a committee member that we concur and note compliance.

Ms. C. Young: — I so move.

The Chair: — Moved by Deputy Chair Young. All in favour? That's carried. All right, we'll move along to I guess the last chapter we have here today with the Ministry of Energy and Resources, and we'll pass it over to Mr. Deis of the auditor's office.

Mr. Deis: — 2019 report volume 1, chapter 22 starting at page 249 reports by March 2019 the Ministry of Energy and Resources implemented the last three recommendations originally made in our 2012 audit of its processes to regulate oil and gas pipelines consistent with legislation. The ministry developed and implemented guidance for assessing pipeline design and construction, and to monitor ongoing operations.

In 2018 the ministry completed a risk assessment of all pipeline licences and operators in Saskatchewan. It developed a risk matrix tool to guide staff in assessing whether a field inspection is required for specific events. It also developed and implemented a risk-based assessment approach to monitor pipeline construction and verify pressure tests. The ministry was using reviews of operator integrity management programs and emergency response plans to monitor pipeline integrity and safety. Effective regulation reduces the risk of pipeline failures. And that concludes our presentation.

The Chair: — Thanks for the presentation. I'll turn it over to the deputy minister to provide a response, and then we'll open it up for questions.

Mr. MacKnight: — Obviously we are pleased that the auditor has found the final three recommendations have been implemented for the Ministry of Energy and Resources in terms of its regulatory programs. I just again thank the auditor for their work over the years in terms of our work in strengthening our regulatory framework for pipelines. As everyone in this room is probably well aware, the pipeline system of Saskatchewan is integral to our industry. It remains the safest way for transporting certain types of product. It's vital to our industry and we understand why the auditor has spent some time examining our programs.

So I'm not going to go into the recommendations that's been summarized. I just thought I would update the committee on a few items that were referred to in the auditor's report but now have progressed from talking about it to implementation. The audit was done in '18 and '19, and at that time we were in the midst of our pipeline regulation enhancement program. This program was completed last March, and we've transitioned the work to operations.

So one of our biggest milestones for us has been the full implementation of the pipeline module within our integrated resource information system. In order to effectively regulate pipelines, you need a good data system to be able to identify and assess risks and manage the infrastructure. We in Saskatchewan now have leading-edge information technologies to support our risk-based pipeline regulatory programs, and we're very proud of that.

The technology is a foundational tool, but we've also reformed, revamped, modernized our regulation. Last year we adopted the pipeline administration and licensing regulations, which among other things established our new pipeline registry and provided the framework for retroactive licensing of flowlines. As part of this initiative, we also had approved the new Saskatchewan pipeline code that builds off the CSA [Canadian Standards Association] standards for pipelines and includes requirements related to pipelines crossing water bodies and standards related to information and risk assessment as part of pipeline approvals and operation.

In addition to our data systems, the program PREP [pipeline regulation enhancement program] as well as our work on the audits has allowed us to take a few additional steps to enhance our regulatory system. With the winding down of PREP, the resources for that program were redeployed into our field services branch to establish a new compliance audit investigation unit consisting of three FTEs [full-time equivalent] to work full-time on operational compliance for both pipelines and major facilities. The new unit is also responsible for investigating incidents which are a key way of learning from what happens in the field and informing regulatory practice.

Second, and this one I'm very pleased about, we've been able to establish a two-person spatial analytics unit, which is jargon for saying we're being able to use modern mapping technologies to better assess risk and leverage that data we're collecting through IRIS. So it's a very critical tool.

In addition to that, this new unit is now operating a remote piloted aircraft program most people call drones. But we're using this technology now to monitor pipeline water crossings looking for

changes over time. And this is going to help us incredibly going forward in terms of managing those locations which have some high consequence if there are issues.

And I guess the last point is we've launched our retroactive flowline licensing program last year in January 2020. It was discussed in the audit many years ago. We're pleased to say we're in the first full year of that program. We expect to wrap it up by 2024, and that will mean for the first time all of our pipeline infrastructure in Saskatchewan will be in our IRIS system, and all those tools I just described for managing risk will be there for us as a pipeline regulator.

So overall, we've made progress. It's been a challenge at times as some of you may have heard. Pipelines can cause some grief, but overall we're very pleased where we're at.

And I forgot to introduce my colleagues. Bryce Jardine-Pelletier to my right is the executive director of our field services area. His group oversees our pipeline regulatory area. And at the back, Assistant Deputy Minister Blair Wagar who has just come on board permanently as of February 1st.

So I turn it over to the committee for questions in terms of our pipeline work and our response to the Provincial Auditor's recommendations. Thank you.

The Chair: — Thank you very much for the response and the work on this front. I'll open it up to committee members now for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair, and thank you for those opening comments. It's great to hear. And maintaining the safety of pipelines and public trust in those I think is so important at this time. So I do thank you all for your work on this file and for bringing it up to speed. I know I'm new to this. Maybe not February 1st new, but I know there's a lot of work that has gone on in the background. So I respect that and it's wonderful to see here.

If I can just ask one question out of interest, based on some of the comments that you made. You mentioned three FTEs have been reallocated to work on pipelines, and I think you said major facility inspection. And I'm just curious, what is constituted as a major facility?

[13:45]

Mr. MacKnight: — So if you think about enhanced oil recovery, there's a big plant. It kind of looks like a refinery. We call that a major facility. We also have waste disposal injection sites where they're processing down into salt caverns, basically waste, or down into underground geologic formations. Some of the gas plants in the field are quite large. So it's no clear definition but it's an engineered structure which could be processing gas or waste or oil. And they are like pipelines in the sense that they sort of can be high consequence, and so we put them in a different risk category. This is an engineering group so they can actually handle both areas quite effectively.

Ms. A. Young: — So essentially anything sub-surface related in terms of a surface injection facility.

Mr. MacKnight: — Yes. You've got to be careful. There's some wells out there are just injection wells, so they're just like any oil field. Generally you're looking at a place that's processing gas or processing oil, you know, primary production. But they tend to be engineered structures very much like pipelines where you have very in-depth integrity management or risk management programs. And we want to keep an eye on those.

Ms. A. Young: — Interesting. Thank you. I guess my two questions are in 3.1, the guidance for monitoring compliance provided specifically on page 251. It notes that in March 2019 the ministry gave findings to operators and that operators were requested to provide corrective action plans when necessary. And I'm curious, these were all received?

Mr. MacKnight: — Yes, I'll turn it over to Bryce to maybe to have Bryce . . . the questions around some of the specific audits we've done. We've been spending a fair amount of time this afternoon talking to the auditor about audits and pipeline audits and I just want to clarify. When we were talking about audits in the pipeline space, we have a CSA standard that's very extensive and also our regulations related to it. So the audit is actually going in and looking at the company's particular operation in relation to the standard, and then our engineers will provide some findings. So maybe, Bryce, if I could turn it over to you, if you could lay out the process and the kinds of findings that might have come up.

Mr. Jardine-Pelletier: — Good afternoon everyone. As Doug said, my name is Bryce Jardine-Pelletier. I'm the ED [executive director] of field services branch. And could you just state your question again just to make sure that I have it right?

Ms. A. Young: — Yes, I'm just looking at the request from the ministry to operators who needed to provide corrective action plans and I was curious if you could maybe expand upon that and confirm for the committee whether or not these were all received.

Mr. Jardine-Pelletier: — Yes. So the short answer to your question is yes, they were all received. So the first round of audits that we did of pipeline companies of their safety and loss management systems was, as Doug stated earlier, in 2019 and we started with four companies that we audited, right. And so out of those audits, you know, we have a series of questions, like 200 questions that we ask these companies to identify and walk us through and provide the information that we're asking for on each of those points. And we review that information and we decide whether it's acceptable or if there's a minor finding or a major finding. Like if there's an issue that they're not dealing with, we categorize those as minor and major.

And so that corrective action plan that you're speaking of, that was that list of things that we had asked for, that were in question to whether they were doing things the way they were supposed to do or the way they were doing things that they said they would do.

So yes, they submitted that information to us. But it's like an ongoing process, right. So you know, we do the audit. We identify these findings. They provide backup information. We assess that information again. We go back again with another mini-follow-up audit, so to speak. Did you really do what you said you did, right? So it's kind of a cyclic process until we're

satisfied that they've given us the answers that we need.

Ms. A. Young: — And recognizing that is, as you said, a bit of an evergreen process . . . Actually, no, you know what, I'm good. Thank you. No further questions, thank you.

The Chair: — Are there questions from any other committee members? Thanks for the information here today. Thanks for the action on these fronts, as well. Obviously the integrity of that vital pipeline system is incredibly important to the province, so thanks for your work on this front.

Not seeing any other questions, I guess we can conclude consideration of this chapter. And just thank you to everyone, the officials that have been here today with the Ministry of Energy and Resources. Thank you as well to all those that are connected to the work that we've discussed here today. And at this time, we'll take a very brief recess to clean the officials' table there and up next is the Ministry of Environment.

[The committee recessed for a period of time.]

Environment

The Chair: — We'll reconvene the Standing Committee on Public Accounts. We're welcoming the Ministry of Environment officials. Deputy Minister Harrison and senior officials, thank you so much for joining us here this afternoon. And at this point I'll turn it over to the auditor to make the presentation on the first chapter that we'll deal with. I'll then turn it over to Deputy Minister Harrison to provide a brief response to that, and maybe introduce your officials who are here with you today at that point as well.

Ms. Ferguson: — Thank you, Chair, Deputy Chair, members, and officials. This afternoon Kelly remains with us. He remains responsible for this area that's before us. So we've got a half a dozen chapters on the agenda, and he's going to present them in the order that they are presented on the agenda there. The last three chapters each contain new recommendations for the committee's consideration, and the other chapters the committee has previously considered for recommendation, so it's just the last three. So before I turn it over to Kelly here, I'd like to extend my thanks to the deputy minister and her team for the co-operation extended to our office during the course of this work.

Mr. Deis: — Chapter 16 in our 2020 report volume 1, starting on page 211, reports the results of follow-up of recommendations we initially made in our 2013 audit of the Ministry of Environment's processes to regulate landfills. By January 2020 the ministry implemented one of the three outstanding recommendations and made progress on the remaining two. The ministry revised landfill permits to include requirements for groundwater monitoring. As the landfill permits expire, the renewed permits include this new requirement.

In January 2020 the ministry finalized, approved, and publicly released its solid waste management strategy. The strategy sets out long-term goals for waste reduction in the province and related strategies. However more work remains in the following areas. By January 2020 the ministry had not yet approved updated guidance documents on composting or landfill and waste

management. Without consistent guidance for landfills, landfills may not be built and operated to the same required environmental standard.

The ministry continued to be behind in completing inspections as planned. At January 2020 it had not inspected 8 of 16 high-risk landfills, and had 23 overdue inspections for moderate and high-risk landfills. Timely inspections determine whether the landfills operate in compliance with their permit. Permit requirements exist to enhance the environment and public safety.

That concludes our presentation and I'll pause here.

The Chair: — Thank you for the presentation. I'll turn it over to Deputy Minister Harrison.

Ms. Harrison: — Thank you, Chair, members, and officials. I'll begin with introductions. With me today is Kevin Murphy, assistant deputy minister of resource management in our compliance division; Wes Kotyk, assistant deputy minister of environmental protection division; and just outside the door, Veronica Gelowitz, assistant deputy minister of corporate services, policy division; and Ryan Clark, the executive assistant to my office.

The Provincial Auditor's 2013 report on regulating landfills issued nine recommendations to the ministry. At the time of the follow-up audit, two recommendations remained outstanding. Since that time the ministry has implemented these recommendations. As recommended the ministry has adopted guidance on landfills, updating composting and solid waste guidance. The ministry also developed a risk-based protocol for inspections. And in 2020 the ministry performed landfill inspections on all sites requiring inspections. And I'll pause there.

[14:00]

The Chair: — Thank you very much. I'll open it up to committee members for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. I do have a handful of questions. And maybe I'll just go through this chapter, I guess, chronologically for lack of a better term, if that's acceptable.

My first question relates to some of the information contained within 3.1 on page 212. And I'm prefacing all these meetings with an apology as I am relatively new to this, so some of this information may be fairly commonplace to you folks. But I also do want to take advantage of you being here on a very cold day.

So it notes that the ministry had drafted but not yet finalized these guidance documents at the time of publication for this report, but did aim to have them approved by 2020. And I'll just confirm, has this taken place, officially confirmed?

Ms. Harrison: — Thank you for the question. Yes, I can confirm that's correct and that the answers are posted on our website.

Ms. A. Young: — Wonderful. Thank you. I do have a question later for you about public engagement, so that's great to hear.

In regards to the groundwater monitoring permit, it also notes

that the ministry expects to complete renewing permits for existing operating landfills by 2021. And based on your earlier comments, this has also been achieved?

Ms. Harrison: — Yes, I can confirm it has been achieved.

Ms. A. Young: — Wonderful. Thank you. One last question on this in regards to the solid waste management strategy that was released last year. I believe there's annual reporting that takes place. And has this year's annual report yet been issued?

Ms. Harrison: — No, it has not been released yet. We're actively working on the report now. We expect it'll be released in the next fiscal, but we don't have a finalized date at this stage.

Ms. A. Young: — Excellent. Thank you. My next question is about the inspection of landfills in item 3.3. And I believe, if my understanding is accurate — and feel very empowered to tell me if it's not — that landfill operators must be certified. And I'm just curious, with the inspection process . . . My eye was caught by the summer students who work on inspecting this and it sounds like a wonderful program. And I'm wondering, do those students have to achieve any kind of certification or formal training in order to perform this work, and if you could maybe expand on what that looks like. Thank you.

Mr. Kotyk: — Thank you. Regarding landfill operators, currently there is no formal requirement unless the municipality has a requirement. It is one of the goals of the solid waste management strategy that we'll be looking at to pursue, having a more formalized certification requirement for operators. And regarding the students, they were trained but their inspections were of a limited scope. It was more on confirming closed landfills and looking at transfer stations, some of the more routine. Get them a feel for doing compliance, but looking at more of the routine work as opposed to the actual landfills themselves.

Ms. A. Young: — Okay, excellent. Thank you. And in this strategy, I guess my question is, it notes that as of January 2020 there were 8 out of 16 that were inspected, and 23 had overdue inspections for moderate- and high-risk landfills, and that this has changed in the calendar year that we just concluded, I suppose. So I'm just wondering if you could expand, just mostly for my information and interest, which indicators do you use to kind of address compliance and enforcement through this inspection?

Mr. Kotyk: — So with landfill inspections, typically there are a number of things that are looked at. There are a suite of permit conditions that will be reviewed to determine if they're in compliance, things like reporting and monitoring. Have those things happened on time and are they within guidelines? So that's the nature of the things that are looked at during the inspections.

Ms. A. Young: — And so then, forgive me, enforcement and compliance, is that incumbent on the ministry to manage?

Mr. Kotyk: — So the way it works is that the municipalities are required to adhere to their permits. But if we do find non-compliance actions, we would identify those during an inspection. And depending on the nature, if it's something that can be readily fixed we do provide opportunity for the municipality to correct any deficiencies found during an

inspection. If there are repeated non-compliance actions, we do have an escalation process where we may issue a warning of non-compliance or eventually progress to an order or other forms of enforcement when necessary.

Ms. A. Young: — And I assume that type of escalation is fairly rare?

Mr. Kotyk: — It is. Typically I think that we've had maybe half a dozen, you know, order-type enforcement actions over the last five or six years. And usually it's associated with those landfills that are burning, something that municipalities are aware of and maybe haven't taken the steps. So that's typically the situation where we would escalate to that type of enforcement.

Ms. A. Young: — Thank you. I have no further questions.

The Chair: — Any other questions on this chapter? Not seeing any, we'll conclude consideration of this chapter and we'll move along. And I'll turn it over to the Provincial Auditor's office.

Mr. Deis: — Aquatic invasive species or non-native animals such as zebra mussels or plants are usually spread through water from one water body to another by attaching to watercraft, trailers, or other related equipment. They can spread quickly and cause serious damage.

Chapter 29 in our 2020 report volume 2, starting on page 229, reports the results of the progress made on the recommendations initially made in our 2016 audit of the Ministry of Environment's processes to prevent entry and spread of aquatic invasive species in Saskatchewan. By August of 2020, the ministry implemented two of the four outstanding recommendations.

The ministry developed and followed risk-based strategies for both watercraft inspections and water-body sampling. These strategies helped the ministry focus its resources in areas of higher risk, for example, water bodies or corridors where boats cross into Saskatchewan from neighbouring jurisdictions. While the ministry made progress, more work remained on the final two recommendations.

The ministry did not yet determine if its education and awareness efforts related to aquatic invasive species were successful, and whether it targeted resources on worthwhile activities. In fall 2020, the ministry planned to issue a targeted survey asking detailed questions about past advertising campaigns. It planned to use survey results to assess if its campaigns improved the public's knowledge and awareness of aquatic invasive species.

The ministry had not yet tested or finalized its rapid response plan. Timely and appropriate responses are key to minimizing the impact of and spread of the aquatic invasive species. Testing the plan helps confirm whether it operates as expected. The ministry planned to test the plan in the fall of 2020. This concludes our presentation. We'll pause here.

The Chair: — Thank you for the presentation. I'll turn it over to the deputy minister for a response. Then we'll open it up for questions.

Ms. Harrison: — Thank you. The Provincial Auditor's 2016 report on preventing the entry and spread of aquatic invasive

species in Saskatchewan identified — apologies for these comments that are a bit repetitive, but worth it for us getting it on the record — identified five new recommendations. At the time of the following audit, two recommendations were outstanding.

The ministry has since received the provincial survey results measuring the effectiveness of the aquatic invasive species campaign. The ministry considers the recommendation implemented and will be using the information received to guide future outreach and awareness initiatives.

Significant progress has been made on the final recommendation to complete and test a formal rapid response plan to mitigate the spread of aquatic invasive species. The testing of the plan took place in January, and the response plan is expected to be finalized by the end of this fiscal year. Thank you.

The Chair: — Thank you for the presentation and for the important work on this front. I'll open it up now for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. I guess I have one odd question. I should have followed up before this, but I didn't have the opportunity. I had a note from staff saying that she remembered seeing a news release on the subject of aquatic invasive species indicating that none had been found in 2020. Is this accurate?

Ms. Harrison: — Yes, I believe that's been very recently issued by us, indicating that we've not found zebra mussels in the province, and also quagga mussels, which we are also actively tracking.

Ms. A. Young: — Okay. That is great news for all of us. Thank you. My question here is about the public engagement and awareness campaign that you've launched. And I'm wondering if there's any comments that you could provide on what forms of media you've found to be most useful in terms of those two priorities of engagement in education. Did you have any comment on its overall success?

Ms. Harrison: — Thank you for the question. We have primarily used social media to build awareness with our community, and we do augment that with an angling survey and have received positive feedback on that. So I think we have to say that the most effective means of communication on this for us has really been a social media outreach. The ministry enjoys, you know, a wide and diverse population of followers on our site, so we often find that it is the most effective in getting the broadest reach and the most exposure.

Ms. A. Young: — Thank you. I have one more question as it relates to the rapid response plan. And I'm just wondering if you could just expand a little bit more on your comments in terms of its current state, and certainly in relation to the most recent news release on that front, and what that will look like going forward.

Mr. Murphy: — Kevin Murphy, assistant deputy minister for resource management and compliance with Environment. The rapid response plan was tested in collaboration with a variety of stakeholders, including the Department of Fisheries and Oceans actually, in January of this year. We had planned to do that in the fall, but I think it probably goes without warranting a statement

as to why it was delayed.

That rapid response plan is something that allows us to respond if zebra mussels are found in the province. So the work that's done to determine whether or not we have zebra mussels is part of our routine monitoring; the rapid response plan is put in place if there's a detection. So it enables us to understand how we would activate various stakeholder groups, including our team, to be able to go in, contain that occurrence, and hopefully eliminate that occurrence. There are various techniques that are used, including using phosphates in the water body to get rid of the mussel.

So if there is a detection that comes from our routine monitoring, we would then be able to go in. The intent is to routinely, as part of our overall plan, test that rapid response plan with teams to make sure that we've got people available all the way from conservation officers to volunteers at the local sites.

[14:15]

Ms. A. Young: — Thank you. And one follow-up question. I think it is in a subsequent chapter, but where it does speak about the economic impact of some of these invasive aquatic species on jurisdictions in which they're prevalent. It's the next chapter where it talks about an example where Alberta, you know, estimates a cost of \$75 million were an infestation to occur. And so in regards to this rapid response plan, given that currently none have been found, does the plan change substantively in terms of how it operates in a state in which there have not been any aquatic invasive aquatic species identified in the province versus during the time in which they may be present?

Mr. Murphy: — The plan is tiered. It depends on the water body that we detect it in, the type of water body, the risk to infrastructure, and the risk to that water body. It's also tiered to recognize that some instances are very much more difficult to contain and to eradicate, in which case you're actually moving more to building awareness and working with stakeholders on their programming.

Obviously the cost and the risk involved if it's a small, you know, contained lake, it might be something where we could actually eradicate the mussel. If it's the Saskatchewan River Basin, we're pretty much into building awareness and working with water treatment operators, etc. So the scale of both the plan and our ability to respond depends on the water body.

We have a risk-based identifier already built into that response plan that shows, based on things like chemical parameters in the water body location and latitude in the province, etc., what our response can be.

Ms. A. Young: — Excellent. Thank you. No further questions.

The Chair: — Any other questions from committee members? This is such an important area of work. It's obviously so positive to have, you know, no presence of quagga mussels or zebra mussels reported. The challenge I've understood through years in this committee and others is that once you have identified, you know, their presence, it's not necessarily an easy thing to deal with or possible to eradicate that's described. So ultimately those goals and communication, you know, towards the best practice

to keep them out of here is so critical.

I guess to that question, my understanding is that Manitoba's water bodies and watersheds have the presence; south of us, North Dakota, Montana; in the southwest corner of Alberta. So we're, you know, sort of in a rare and valuable situation right now. Is there a ranking of watersheds or water bodies that are at greatest risk right now to contamination on this front?

Mr. Murphy: — So just for awareness, Alberta does not have them either. Together we're sort of working on this in collaboration. Neither does BC [British Columbia].

So the ranking is part of the questions that we ask at our inspection stations and that our partners in Canadian border services ask. So they have an awareness of what watersheds, what states, etc., and what provinces have presence. And if a traveller is coming with a watercraft from one of those what we call hot areas, they tend to go through more scrutiny than if it's coming from Alberta, the other direction, etc.

So we have that ranking list for all of the inspection stations and the Canadian border services, and absolutely able to respond to that from that perspective.

The Chair: — Sure. That would be helpful — just an understanding if there is some assessment as to the highest risk watersheds and water bodies in the province, likely based on where the traffic's coming from.

Mr. Murphy: — Yes. Part of the survey actually gave us that awareness as well in terms of what the destination points are. We've coupled that along with what the biological parameters are, the chemical parameters for the water bodies, and created a risk-based profile of our water bodies so that it's part of that rapid response plan so that we know what our highest risk areas are, what areas we should be putting into our monitoring plan, and what areas we have to pay it more attention to. So that's absolutely a part of what we've already built.

The Chair: — Are you able to share a bit of the higher priority lists of some of these water bodies and watersheds?

Mr. Murphy: — We can provide that, yes. Sorry, I was thinking of a map or something for you, but in terms of just verbal, it's mainly south of the province, more southwest in Qu'Appelle chain. As you get further north, basically north of Prince Albert, there is less of the carbonate in the water for these animals to create their shells. Colder waters in typical . . . so they don't grow as fast. They can't get as much carbonate. North of La Ronge, there's virtually no risk at all. When you think of various, like Old Wives Lake or the Quill lakes or someplace like that, very little recreational watercraft use in those areas. So there again, even though the mussels could grow, they're a much lower risk than say Lake Diefenbaker or the Qu'Appelle chain. But we can get you the map that outlines that as well.

The Chair: — Thank you very much for both. Thanks both for the verbal response and also endeavouring to get that information back to us. And that can be supplied through the Clerk to all of us.

So is there an assessment as well as to the highest risk, as to if

one of these invasive species is found — the hardest to contain, if you will? Or is that overlapped in the presentation you just provided?

Mr. Murphy: — To an extent that's overlapped, but the hardest to be contained would be, obviously, our river system — so the Saskatchewan River system, the Qu'Appelle River system — simply because of the fact that they're continuous and flowing waters, unlike a small lake system where you don't have that outflow connection. It's much easier to put a boom or something in place, effectively poison the water and get the mussels out. The substances that are used aren't harmful to our fish populations or any of the other aquatic organisms, so it's actually an easier thing in a small lake environment.

But you can imagine that in something like the Saskatchewan River system, even getting enough of the chemical into the water system would be very difficult to do. So that's our highest risk water bodies are those systems.

The Chair: — That makes sense. Well thank you for the important work on this front. It's that whole education piece and the equipping, you know, anglers and those with their boats, you know, with the knowledge of their duty and responsibilities on these fronts is so important. And of course the monitoring and everything else. So we appreciate it.

Any other questions on this chapter? Not seeing any, we don't have any new recommendations here, so we'll conclude considerations at this time and we'll move along. I'll turn it over to the Provincial Auditor.

Mr. Deis: — Chapter 23 of our 2019 report volume 1, starting on page 253, reports that by December 2018 the ministry implemented the last outstanding recommendations initially made in our 2008 audit of its processes to regulate contaminated sites. The ministry obtained and completed risk assessments for the contaminated sites it regulates. It uses a national classification system to the level of risk a site represents to the environment and priority for cleanup. Taking a priority-based approach reduces the threat of the ministry not giving high-risk sites sufficient attention to make sure they are cleaned up within an appropriate time frame.

Timely cleanup avoids unnecessary risk to public health and safety. And that concludes our presentation, and I'll pause here.

The Chair: — Thanks for the presentation. And I'll turn it over to the deputy minister for a response and then we'll get at the questioning.

Ms. Harrison: — Thank you. The remaining recommendation from the 2008 audit regarding regulating contaminated sites was that the Ministry of Environment complete its risk assessment for identified contaminated sites and rank them in terms of priority. By March 2019 the ministry had made significant progress reviewing manual files since its previous follow-up in 2017 and continued evaluating the remaining files in 2020-21.

As you've just heard, the Provincial Auditor has subsequently reported that the status of the remaining recommendation is now implemented. Thank you.

The Chair: — Thanks so much for the report and of course for the work on this front to see this through to compliance, implementation. Any questions from committee members on this chapter? Mr. Nerlien.

Mr. Nerlien: — Thank you, Mr. Chair. Most urban communities in the province, and I suspect a lot of the rural municipalities as well, would have in them old bulk stations, garages, rail sides, sidings, things like that, that would be I assume defined as contaminated sites. And I understand and appreciate identifying them and documenting them.

But can you just tell us a little bit about how communities can address that as an issue? Because it's obviously an impact on taxation within the communities, but some of those sites are 40, 50, 60 years old. And communities, I think, generally are at a loss as to what to do next. Can you comment a bit on that? Thank you.

Mr. Kotyk: — Thank you for the question. There's a couple of scenarios that most sites fall into that have been closed in small towns or urban centres. There are those where the owner is known and is still responsible for the site, so like an Imperial Oil or a service station. If there are those sites where they're closed, that company is still responsible for managing that site. Some of them may have contamination; others may not. If they do, the onus is on the company to ensure that it's being appropriately managed.

So they would typically . . . That's where the national classification system for contaminated sites work comes in handy. So if there is small amounts of maybe some surface or near-surface contamination from a historical operation that's confined to the site and the company is managing that, we would consider that low risk. And then there is nothing further for the company to do other than monitor and manage that while they're in control of that.

There are other situations where maybe the owner is no longer around or known, and so there are some uncertainties with that. There again, some of the uncertainties around that help formulate into what is the classification number for that site. So it may or may not push it up as a higher risk or lower risk depending on what's known with the site.

For those facilities, what I would suggest what towns can do, we do have an impacted sites fund that municipalities can apply for where we would provide some funding and work with the municipality and looking at what the needs are for that site. So there is a small fund currently that we can access, or communities can access. It's just a matter of applying for that and identifying those sites.

What we have to do first is we have to ensure that the owner in fact is not around. So we don't want people just to walk away thinking that the province will pay for it. So there is some work to make sure that it is a situation where the owner-operator is not known or doesn't have the means to do the cleanup.

Mr. Nerlien: — Thank you for that. And just a quick follow-up. For the owners of sites where the owner is still identified, and you noted Imperial as an example, they're paying a nominal tax typically to the municipality. But is there any enforcement action that can be taken against those owners?

Mr. Kotyk: — Our legislation doesn't have a timeline that says when they would have to clean up if they are adequately managing it. The requirement is they need to have the site properly assessed and they have to be managing that impact, if there are impacts there. If they are paying their taxes and meeting the municipal obligations, then the speed at which they do that, that's really between the municipality and the business.

Mr. Nerlien: — Thank you.

The Chair: — Questions here? Ms. Young.

Ms. A. Young: — Thank you. I have two semi-related questions to that. I'm wondering if you can offer a comment on what the total value of the contaminated sites is, either total value or even just those managed by the ministry. And then as a follow-up to that, if you have any information on, I guess, what the liability is for the clean-up costs for those.

Mr. Kotyk: — Okay. So what I can tell you is, having gone through all of our manual files and historical records, we have just shy of 2,600 sites identified in the province. But they could be anywhere from something that might just have had a surface oil stain to larger facilities.

[14:30]

And so the province, other than having oversight and the inventory, we are not responsible for management of those sites. Where there are owners or companies that are still viable, they're responsible for that. But we don't have a requirement for them to identify what the financial value of that property is, so we don't have financial liabilities for those.

Where we do for the ministry, for the former ones — I maybe neglected this — is on our liabilities for Crown land. We do have some abandoned mines. There's six large abandoned mines that we have on our books for our liability for the ministry, and that's close to \$30 million. But there are some other ministries that have responsibility for other sites, then they would book those liabilities through their accounting procedures as well.

Ms. A. Young: — Okay, so not all of them would be held as liabilities within your ministry, then? Okay.

Mr. Kotyk: — There's just those six large ones.

Ms. A. Young: — Okay. I guess two last brief questions. Around that enforcement piece, in terms of incentivizing landowners to . . . or private owners not to essentially just sit on a contaminated site, pay their nominal fees as cited but not remediate it, I can see certainly with the changing nature of the province that might in some cases not be as much of an issue, but in other cases, potentially leave giant chunks of real estate simply sitting there, just for lack of imperative to remediate them.

And I just want to make sure I'm clear on this. Regardless of the location of the site within the province, whether it's in a big city, a small town, rural, urban, the legislation is the same?

Mr. Kotyk: — That's right. We have worked with municipalities. Even though there is not the legislation that requires cleanup if they're adequately managing, we have

worked kind of as a go-between between the municipality and the companies to facilitate some of those activities and cleanups. It's a lot more work, but we are prepared to help try and facilitate those discussions wherever possible.

Ms. A. Young: — And it is the same up north as well, correct?

Mr. Kotyk: — Yes. Their location of the province, there's no difference in the requirements.

Ms. A. Young: — Thanks. And my final question is, for the list of all of these sites, is this something that is publicly accessible as a registry?

Mr. Kotyk: — Right now it is on our internal database. The goal is to move it to something online. I mean it is information that is publicly accessible if it is requested through the freedom of information process. But at some point we are trying to move it towards something that's publicly available so people can readily search it online.

Ms. A. Young: — I have to hold your feet to the fire on this. Is there like a ballpark estimate or just broadly in the future?

Mr. Kotyk: — The time, I don't know when there's IT involved. Yes, we're working currently on looking at options for trying to get it going.

Ms. A. Young: — Thank you so much. No further questions.

The Chair: — Good questions and important work. We'll conclude consideration of this chapter at this time, and move along to the next one. I'll invite the Provincial Auditor's office, Mr. Deis, to present.

Mr. Deis: — Chapter 4 of our 2019 report volume 2, starting on page 33, reports the Ministry of Environment for the year ended March 31st, 2019 complied with financial-related authorities governing its activities and had effective financial-related controls other than one matter reflected in our recommendation.

On page 36 of our 2019 report volume 2, we recommend the Ministry of Environment verify the accuracy of lease information in this database used to administer leases. The ministry uses a lease database to administer its surface leases on Crown lands it manages and those it manages on behalf of the Ministry of Government Relations. That's the Northern Municipal Trust Account. It uses information in the database for annual billings, monitoring leases, and calculating total expected future revenues from lease contracts called contractual rights.

Our testing found 10 leases where information in the database did not agree with the related lease agreement. Because of the errors, the ministry gave the Ministry of Government Relations information that overstated the trust account's contractual rights at December 2018 by about \$67 million. Having correct and accurate lease information is key to properly administering surface leases.

As 2020 report volume 2, chapter 18, summary of implemented recommendations reports, our 2019-20 integrated audit found the Ministry of Environment reviewed and corrected lease information in its lease database. And that concludes our

presentation. We'll pause here.

The Chair: — Thank you for the presentation. I'll turn it over to the deputy minister.

Ms. Harrison: — Thank you. In the annual integrated audit, the Provincial Auditor recommended that the ministry verify the accuracy of its lease information in its lease database. That work is now complete. The database information has been verified with lease agreements. The ministry continues to ensure the integrity of this lease information. The Provincial Auditor noted that this recommendation is implemented in 2020 report volume 2, summary of implemented recommendations. I'll pause there.

The Chair: — Thank you very much for the presentation and for the work on this front. Any questions from committee members? Ms. Young.

Ms. A. Young: — Thank you. Just one. I note on page 35 it references that the ministry recorded about a million dollars in lease revenue for the year ending 2019. What was that revenue amount for the year ending 2020?

Ms. Harrison: — Sorry, could you repeat which number you're referring to that you're asking about?

Ms. A. Young: — On page 35 under section 4.1, it notes that the ministry recorded \$1 million in lease revenue. And I was just wondering what that was for the subsequent year.

Ms. Harrison: — It's the same from year to year. There was a slight increase because of the rate the regulation rate changes.

Ms. A. Young: — Other than that, it's fairly static?

Ms. Harrison: — Yes.

Ms. A. Young: — Excellent. Thank you.

The Chair: — Mr. Goudy. I know he's just building up to some really serious questions. He's good. Well not seeing any other questions with respect to this chapter, we will conclude consideration. I know we have quite a few new recommendations in the final two chapters that will be considered.

And sorry, we have a new recommendation in this chapter and it's been implemented, so I would welcome a motion to concur with that recommendation and note compliance. Mr. Skoropad moves. All agreed? All right, that's carried.

Okay we'll move along to the next chapter. Mr. Deis.

Mr. Deis: — The ministry is responsible for monitoring freshwater fish populations to detect changes resulting from harvest, environmental conditions, and stocking. Fifty thousand provincial freshwater bodies contain fish. Most are in the northern part of the province. Increasing pressures of climate change, access to fisheries, development of new fish-harvesting technologies, and competition amongst users negatively affect fish populations and make sustaining fish populations challenging. Effective fish population management in freshwater fisheries — for example, lakes — is critical to sustainable fisheries today and for future generations. Recreational fishing

provides economic and social benefits and livelihoods for some residents in remote communities dependent on fisheries.

Chapter 21 of our 2019 report volume 2, starting on page 135, reports the results of the audit of the Ministry of Environment's processes to manage freshwater fish populations in a sustainable manner. We concluded the ministry's processes were effective to manage freshwater fish populations in a sustainable manner, other than the areas reflected in our nine recommendations. My presentation will focus on these areas.

One page 142 we recommend the Ministry of Environment formally determine resources needed to meet time frames outlined in the fisheries management plan. The ministry did not determine resources required to complete actions within time frames set out in the 2010 fisheries management plan or achieve priorities established in 2015 five-year review. Although the fisheries unit's 2018-19 and 2019-20 planned-work priorities generally aligned with the five-year review priorities and the 2010 fisheries management plan actions, the ministry inconsistently met time frames for actions established in the 2010 plan. Not determining resources needed to achieve the ministry's planned time frames and priorities increases the risk of not completing sufficient work to achieve its vision of healthy, sustainable freshwater populations and habitats.

On page 143 we recommend the Ministry of Environment give staff written, standardized, science-based protocols for field data collection and reporting on fish populations and their health. Even though the 2010 fisheries management plan included a short-term action item, the ministry has not finalized its draft guidance for carrying out assessments for water bodies. The ministry expected to approve the draft guidance by March 31st, 2020.

While the draft guidance gives sufficient information on sampling methodologies that align with good practice, it is not sufficiently robust in several areas. The draft did not give clear direction for when to use each sampling method as historical versus random sample locations. Also the draft does not expect staff to document key sampling decisions. Furthermore, it does not contain sufficient detail to help staff determine what constitutes a healthy fish population and when to restock a water body. Having sufficient written guidance enables the use of consistent sampling approaches to sample fish from one water body to the next and to analyze results helps ensure comparable results.

On page 145 we recommend the Ministry of Environment keep its listing of lakes and associated priority categories, used to determine the frequency of assessing fish populations of water bodies, up to date and accurate. The ministry uses priority categories and monitors frequencies to determine how often to monitor a water body's fish population and health. However its prioritized listings for high-risk water bodies is inaccurate and incomplete. We found it did not always determine the overall priority categories and monitoring intervals consistent with its risk-based approach for determining monitoring frequencies.

We found two water bodies with points totals placed in an inappropriate category on the listing, three water bodies where monitoring frequency was not determined consistent with a priority category. Two water bodies did not either contain a

monitoring frequency or indicate the last assessments if any.

Our testing of assessments for 16 water bodies found the ministry did not update the listings or update total points to rate priority based on results from a water body's last assessment. Management acknowledged it had not done a comprehensive update of its prioritized listings for high-risk water bodies since 2008. Maintaining an incomplete and inaccurate list results in the ministry using outdated and inaccurate information in determining lake assessments and monitoring frequency. It is also contrary to its scientific, risk-based approach. Using a scientific, risk-based approach is key to collecting sufficient information about fish populations and their health.

On page 146, we recommend the Ministry of Environment assess fish populations, including their health, using intervals determined through a scientific, risk-based approach.

[14:45]

Our testing of 2018 and 2019 assessments for bodies of water confirmed the ministry routinely assesses these water bodies later than its risk-based approach expects, when half of 16 assessments we tested took place between two to eight years later than the ministry's risk-based approach expected. Completing assessments inconsistent with suggested risk-based frequencies increases the risk of not collecting information sufficiently to detect changes in fish population or fish health within a water body, particularly those assessed as high-risk water bodies. This increases the risk of not addressing underlying risk quickly to avoid potential irreversible declines in overall fish populations and health of key fish species.

On page 147 we made two recommendations. We recommend the Ministry of Environment consider adopting the emerging practice of asking commercial fishers to submit additional key information about the health of fish populations in water bodies they use. We recommend the Ministry of Environment create specific management plans for key high-risk fish species and/or high-usage water bodies. The ministry has not created specific managed plans for high-risk fish species or for high-usage water bodies. It has not developed alternative plans to collect the information it needs to make sure it properly manages fish populations and health of key fish species in high-usage water bodies.

The ministry could consider use of emerging practice of another jurisdiction where commercial fishers routinely submit additional information on fish caught, including size and maturity. Good practice suggests the use of specific strategies to manage key fish species, geographic areas, or water bodies. Plans for high-risk species or high-usage water bodies would establish benchmarks for quantitative measurements of ideal values for fish maintained within the water body, objectives for the water body, an assessment of the current state of the water body, and options that management can take to reach objectives and benchmarks.

On page 149, we recommend that the Ministry of Environment document, in its reports of fish populations and health of assessed water bodies, key decisions. For example, key assumptions, sampling methods, and sizes. Although the ministry had documented analysis of fish population health for each assessed

water body, these reports need additional detail to further support conclusions reached.

The 10 completed assessment reports we assessed did not set out key assumptions made in analyzing data such as quantitative models used, or clearly identify key sampling decisions. In addition, assessments in these reports did not include reasons for number of nets used and showed use of inconsistent net sampling methods. The ministry noted it depends on biologists to use professional judgment to determine when they caught enough fish to reflect a representative population.

Not documenting key fish sampling decisions increases the risk the biologists may be unaware of or not recognize risks associated with certain sampling approaches. The sample may be inconsistent or misrepresentative of the fish population in the water body. This could call into question the overall reliability of the data collected.

On page 149, we recommend the Ministry of Environment finalize analysis of fish data collected from water body assessments in a reasonable time frame to allow for consideration before the next assessment session. The ministry does not finalize its analysis and reports of assessed water bodies within a reasonable time frame. Management told us it relies on staff to verbally share significant findings throughout the year.

At September 2019, we found the ministry completed less than one-half, that is, five reports of 13 assessed water bodies, from the summer of 2018. It had not set a deadline for when it expected to finalize the remaining eight reports. Delays in completing these reports increase the risk that the ministry cannot use the full analysis of data to make decisions. This may adversely affect the health of fish populations in that water body.

On page 152, we recommend the Ministry of Environment develop a detailed strategy to assess the effectiveness of the fisheries management plan, including determining its success. A review of the 2018 annual progress report found it does not set out the status of all 51 actions in the 2010 fisheries management plan or the status of the six priority areas set out in the 2015 five-year review. In addition, it does not identify action or priority areas that management considers no longer relevant or requiring revision.

Also, the ministry has not evaluated whether the 2010 fisheries management plan achieved its stated outcomes — for example, sustainable management — nor did it have a plan to do so. Without a detailed plan to assess the effectiveness of its overall fisheries management plan, the ministry increases the risk that its actions are insufficient in achieving the overall goals. The ministry also increases the risk that actions are no longer relevant, require revision, or are not included in work plans. This concludes our presentation. We'll pause here.

The Chair: — Thank you for the presentation. There's a lot of work that's gone into this and a lot of recommendations. I'll invite the deputy minister to respond.

Ms. Harrison: — Thank you. The Provincial Auditor's 2019 report on sustainable fish population management identified, as you've heard, nine recommendations. The ministry has implemented three of those recommendations. We are working

alongside commercial fisheries to collect data when commercial data would provide value in fisheries management. The ministry's reporting template has been updated to include the recommended information and will facilitate the completion of management report for fisheries.

The ministry has made progress on four of the recommendations by developing a procedures manual, drafting a priority matrix for fisheries assessment, and by determining that water body-specific management plans should be developed.

Implementation of the final two recommendations will begin once the fisheries management plan review is completed. All recommendations related to sustainable fish populations should be completed by May 2020. I'll pause for questions.

The Chair: — Thanks for the response. Thanks as well for the status update. It helps us sort of have a pretty good understanding as to timelines and where resources and, you know, attention's been placed. I'll open it up for questions. Ms. Young.

Ms. A. Young: — Thank you. I guess at a very high level, obviously there were some challenges identified in terms of the implementation of, I believe it was the 2010 plan that's been cited throughout the chapter. And I guess my questions are . . . My high-level questions are as follows. Was there a challenge overall with the plan? And by that I mean it's good to have a plan, but sometimes it might not be appropriate for the actual scope of work that needs to get done.

So I guess to help frame my questions for the remainder of this chapter, I'm curious if you could maybe provide some high-level comments on that. And secondly, whether or not the areas within the ministry related to this chapter were sufficiently resourced to achieve the goals that were outlined here. And then finally, if any of the identified risks actually did occur and if there are any comments that could be provided therein.

Ms. Harrison: — I thank the member for the question. I think we would, at a high level, describe the original plan as having been aspirational but not having the necessary traction with rigid and more rigour with deadlines and achievable results. I think we have learned from the experience, recognizing the importance of the feedback that we've received from the auditor's recommendations. And related to that and from one of the other questions that you had asked around resourcing, I think us too, we've learned in time that the organization of the ministry could be improved such to better resource this area.

And in the case now, we feel that we're adequately and appropriately resourced to complete the work on the recommendations that have been put forward. But looking back, this pointed out some opportunities for the ministry to take some learnings from those insights provided by the auditor's office and I think have led to the betterment of our organizational structure and the advancement of some progress in this very important area.

Ms. A. Young: — Thank you. I guess just as a follow-up in terms of meeting the recommendations, it does note in a couple of places throughout that current resources allocated did not fulfill the . . . For example, I'm looking at section 4.6 where it speaks to the assessment of priority lakes, and it says currently the

resources allocated are essentially insufficient in order to meet your targets there. And obviously we don't have a complete picture here but there seem to be a couple of spots where it seems like there was a challenge in terms of collecting sufficient information. And I'm wondering if this is a resourcing or a staffing issue, and if the number of FTEs has increased or decreased in these areas.

Mr. Murphy: — With regards to the resources during that period of the audit, they have not changed. The number of FTEs has not changed. I think that for us, what we've learned from the audit is that we need to utilize our resources more effectively, more efficiently, and perhaps reassess what some of those priorities are. As an example, I would point to stocked water bodies.

We have invested a significant amount of effort in determining the population of a stocked water body, whilst knowing that the origin of that is our hatchery. It would be far better to actually work with anglers and other fishers in those locations to do the assessment work effectively by what they're doing, and essentially change the priority in terms of our analysis of those lakes. Those are some of the things that we're learning from that. So it's a reallocation of resources, which we've committed to by next spring.

Ms. A. Young: — Wonderful. If you want to just stay for one second, one follow-up question to that in particular is I did have a question about the stocked waters and figure 6 shown on page 150. And it appears from the table there, although recognizing it does only cover five years, that both the number of fish in the total water stocked has been decreasing over the years, and I was just curious if you could offer commentary on that.

Mr. Murphy: — Twofold. One, the number-of-fish part of our learning over the past five years or so has been that we do not have as much utilization of stocked waters as we had been estimating, and we'd actually been placing effectively too many fish into what would be someone's trout. For the walleye program, there's also a recognition that our stocking programming was having an impact on the source water body, Lake Diefenbaker, mostly. So we've actually consciously reduced the number of animals that we're taking from that receiving environment with, what we believe, is still the same results in the receiving water bodies.

Ms. A. Young: — Wonderful. Thank you.

[15:00]

The Chair: — I've just got a couple of questions. With respect to the high-risk lakes, it says there's a clear criteria to assess lakes. The concern was noted that this information hadn't been updated since 2008 and so it's obviously really good to see the commitment to see that that's going to be updated here very soon. My question is just to those highest risk lakes. Could you canvass to us here today a little bit of sort of the top 10 if you will, but then also endeavour to provide that information back to committee in a more detailed form?

Mr. Murphy: — Certainly provide that in a more detailed form. I would say that the highest risk lakes generally are those that receive attention from recreational fisheries. So Lake Diefenbaker, Last Mountain Lake, the Qu'Appelle chain, Tobin,

Codette reservoirs, and then some of the lakes along the Churchill River system, from a commercial fishery perspective, are effectively that list of the top 10. But we will get you the actual listing of that for the committee.

The Chair: — Sure. Thank you very much for the listing and if whatever information you're able to attach to that that's around the risk factors along with that.

Just checking here, should we make the change now? We just have to take a very brief recess — we'll continue the sequence of questions — just for Hansard to make some changes here. Thanks for your patience.

[The committee recessed for a period of time.]

The Chair: — All right, we'll reconvene here. We've had a brief recess and a whole bunch of good fish stories that were being shared off the camera there for a moment.

But just to follow up, so thanks for the information to be provided with respect to the high-risk watersheds, water bodies, and some of the factors. You provided some here today, and it's right across the province in many ways when you shared that. You identified the Churchill River and Last Mountain. I'll probably be out there on Family Day looking for a walleye or something. But I appreciate that information.

And this is real important to the recommendation no. 5. This was where the auditor had sort of urged the consideration of working with commercial fishers in helping provide information on the health of fish populations. I see the report from the ministry was that you had assessed that that wasn't the preferred route forward, that instead you'd be working with some other officers or folks to work with the commercial fishers to collect that information. So I'm just interested a little bit as to, you know, what was considered around working with the commercial fishers and why it was deemed that that wasn't the best way forward.

Mr. Murphy: — So I can characterize that as . . . We continue to do monitoring in high-risk commercial fisheries as an adjunct to the fishery. But in many commercial fisheries, we're actually relying on the commercial fishery, not directly with the commercial fishers — so perhaps that's the characterization that we've included there — in that we're working with the landing, the processing plants, the receivers, which is effectively working with the commercial fishery.

As you can well imagine, our commercial fishery is not like working on the Atlantic or a place like that where you can put an observer on a large factory trawler. We're working with people that are setting, in some cases, only five nets or so. So it's far easier for us to rely on where they're bringing their catch in from the lakes and getting the automated records from that from the processing facility. So we are relying on the commercial fishery for that reporting but just not with individual commercial fishers, simply because of the logistics of working with our commercial fishery. I hope that makes sense.

The Chair: — Yes, it sure does. Thank you very much. So in essence you are working with the commercial fishers through the fisheries. And you know, certainly commercial fishing and those fishers, they're very important to the province and retain a lot of

knowledge and they're out there regularly. So thank you for that update.

Have you considered working at all with the Provincial Comptroller on lake trout?

Mr. Murphy: — There's an in joke with the comptroller?

The Chair: — A little. Yes, he's giving me a thumbs-up at the back of the room. I know he's an avid lake trout fisher. But a bit of a joke, I guess, on that front.

I'll move along. I know there's other committee members that still have questions with respect to this chapter. Ms. Young.

Ms. A. Young: — I just had one more question. I think we confirmed on the break here that the recommendations on which no progress has been made to date are 1 and 9. And specific to recommendation no. 1 for the comprehensive fisheries management plan, I was just wondering if somebody could offer further comment on some of the actions in the 2010 plan identified as no longer relevant and those that require change, as it does indicate that the next review is set for this year. I'm just curious if you could speak to some of the things that you found within that plan that weren't as useful for your own purposes and why.

Mr. Murphy: — So to clarify, we have yet to complete that and the intent is simply to go through with an intention of identifying any that are no longer relevant, any that are no longer applicable to the ministry and might belong with, say, Water Security Agency. But we have not done that assessment to date. So I couldn't guarantee whether or not we will actually find actions that are no longer relevant, for an example. That's the characterization that we intend to apply though. That's why that's laid out that way.

Ms. A. Young: — Thank you.

The Chair: — Any other questions from committee members or do folks want a little bit of time to review the chapter further? There's a lot of important work here. And I think it's important for the public. They'll be seeing that we have these timelines that lay out, you know, plans into the years ahead. It's important for them to know that obviously, you know, this work has, you know, been committed to by the ministry and that's important, but also that there's follow-up process by this table and by the Provincial Auditor on these fronts.

Not seeing any further questions with respect to this chapter, I would entertain a motion that we concur with recommendations 1 and 9. I don't think there's progress for us to note there yet. Would someone care to move that? All right. Sorry, Mr. Friesen. Your name jammed in my brain there, for a moment there. Moved by Mr. Friesen. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. With respect to recommendations 2, 3, 4, and 6, I would welcome a motion to concur and note progress. Moved by Mr. Nerlien. All agreed? That's carried.

And with respect to recommendations 5, 7, and 8, would

someone care to move that we concur and note compliance?

Ms. C. Young: — I'll so move.

The Chair: — Moved by Deputy Chair Young. All agreed? That's carried as well. Okay. We will now move along to, I think, our final chapter here this afternoon with the Ministry of Environment. I'll turn it over to Mr. Deis.

Mr. Deis: — Saskatchewan produces the second-highest amount of waste per capita in Canada and has the lowest waste diversion rates in Canada. The majority of Saskatchewan's waste enters Saskatchewan's 203 landfills. Waste not diverted from a landfill potentially leads to a greater risk of water pollution, soil contamination, greenhouse gas emissions, and negative human impacts.

The ministry has a goal to reduce the amount of waste generated per person from the 2014 baseline by 30 per cent by 2030 and 50 per cent by 2040. In addition it has a goal to enhance waste diversion across Saskatchewan. Using recycling to help divert waste from landfills helps repurpose materials that would otherwise end up in the landfill. Diverting waste from Saskatchewan landfills helps reduce associated greenhouse gas emissions. Reducing emissions of greenhouse gas in Saskatchewan is a central part of the provincial government's climate change strategy.

Chapter 20 of our 2020 report volume 2, starting at page 129, reports the results of the audit of the Ministry of Environment's processes to regulate waste diversion through recycling for the 12-month period ended August 31st, 2020. The ministry regulates eight waste diversion recycling programs designed to divert various types of solid waste, such as bottles, tires, packaging, and used oil. These programs make a producer of the waste physically and/or financially responsible for proper management of their product at the end of its useful life.

We concluded the ministry's processes were effective to regulate waste diversion through recycling other than the areas reflected in our five recommendations. Our presentation will focus on these areas.

On page 137 we recommend the Ministry of Environment set written standard definitions for key information, including calculation methods, it requires operators of waste diversion recycling programs to report. Other than the beverage container program, the ministry primarily uses regulations to set out information program operators must report. For the beverage container program, the signed agreement in effect sets out reporting requirements.

The ministry has not defined in writing the meaning of key terms, for example what constituted a return, recovery rate, or diversion rate. Also it has not set out in writing or given program operators written guidance on how to calculate key information, for example how to measure collection or recovery, or expenses to include when calculating cost per tonne.

[15:15]

We found program operators and ministry staff use the terms "diversion rate" and "recovery rate" interchangeably, even

though the meanings of these terms differ. The ministry does not require program operators to provide detail in the reports to enable it to determine how information reported was measured or its source.

Our review of the 2018 and 2019 reports from each program operator found that reports did not explain how reported results were measured, or the source. Not having well-defined terms or calculation methods for reporting key information increases the risk of program operators reporting inconsistent information. Information is most valuable when it is comparable.

On page 137, we recommend the Ministry of Environment obtain a more robust understanding of the composition of waste entering Saskatchewan landfills.

As part of the ministry's solid waste management strategies goal to demonstrate government leadership, the ministry plans to conduct waste audits at government facilities every five years to obtain a better understanding of waste generation across government. It plans to use the results from the audits to establish baseline information for each facility and inform targets for a reduction.

However, we found the ministry does not have similar plans for its regulated waste diversion recycling programs, even though most of these programs have been in place for more than a decade. By not understanding the waste types and volume disposed of in landfills, the ministry is unable to determine how much of each type of waste the province is diverting from landfills and set incremental targets. Obtaining this information will allow the ministry to determine if it requires additional recycling programs or needs to make revisions to existing programs.

On page 138, we recommend the Ministry of Environment use material-specific targets to assist in determining whether waste diversion recycling programs contribute to the achievement of the provincial waste reduction goal.

The ministry does not know whether the eight waste diversion recycling programs contribute to the achievement of the provincial waste reduction goal. Unlike other jurisdictions, for example British Columbia and Ontario, the ministry has not set recycling program-specific targets for these programs. Rather, the ministry only uses its province-wide goal to measure its waste diversion. The reduction goal mentioned earlier is a nationally endorsed, Canada-wide, waste reduction goal. In addition to this goal, British Columbia and Ontario have set material-specific targets for intervening periods, for example, recycle 90 per cent of household paper by 2020.

Targets for intervening periods are often referred to as incremental targets. When setting incremental targets specific to waste diversion recycling programs, the ministry could consider establishing economic measures such as net cost per unit of material recycle, and accessibility measures such as percentage of population with access to waste management services. Establishing material-specific recycling targets for regulated waste diversion programs would allow the ministry to monitor progress and adjust strategies sooner if incremental targets are not met.

On page 140, we recommend the Ministry of Environment analyze the reasonability of program information reported by regulated waste diversion recycling programs.

The ministry does not have sufficient processes to analyze the reasonableness of program information reported on regulated waste diversion recycling programs such as trend analysis using several years of program information. The ministry's current assessment of reasonableness of program information reported is limited to comparing the current year information to the preceding year. Unlike other Canadian jurisdictions, it does not undertake any additional verification steps, even on a periodic basis. For example, some Canadian jurisdictions such as Ontario, British Columbia, and New Brunswick select a sample of program operators and perform a detailed review of statistical information reported.

Not analyzing the reasonableness of program information received increases the risk the ministry is using unreliable or incorrect information when overseeing regulated waste diversion recycling programs.

On page 142, we recommend that the Ministry of Environment periodically report to senior management on the rate of waste diversion through regulated recycling programs.

While ministry senior management regularly receive reports about implementing the household hazardous waste program, on an overall basis they do not receive results about other regulated waste diversion recycling programs. Without regular reporting on the rate of waste diversion through recycling programs, senior management does not have adequate information for informed decision making about recycling programs. That concludes the presentation.

The Chair: — Thank you for the presentation, and I'll invite the deputy minister to respond. I'll note for anyone following this, that this is actually quite a new chapter before us here. You know, I know there's not as much work that will be documented yet, as far as that's been undertaken by the ministry, but we appreciate the commitments that will be undertaken.

Ms. Harrison: — Thank you, Mr. Chair. Thank you for that segue, because the ministry very recently received the Provincial Auditor's 2020 report on regulating waste diversion through recycling.

The audit report states that the ministry has an effective process in place for regulating waste diversion through recycling, but we also identified five recommendations which align with the ministry's strategy to improve waste management practices in the province and reduce the amount of waste being generated and ending up in landfills. The ministry is committed to addressing each of these recommendations and is considering specific actions and timelines for implementation. Thank you.

The Chair: — Okay. I'll open it up to committee members for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you. I have one question in relation to waste diversion. And forgive me if I'm mistaken, but I understand this is a little bit of a ... there's some cross-jurisdictional issues as some of this does happen with ...

This happens within municipalities as well. So I'm wondering, recognizing that, if you're aware of the cost or the municipal government expenditures and waste diversion rates, and how those are related.

Mr. Kotyk: — Thank you for the question. Generally we aren't aware of what the different municipalities are ... their costs are with diversion. With some of the programs, let's say for the multi-material recycling program or household packaging and paper program, we would rely on the provincial, the steward who oversees that program. They would have the numbers, so they would know what their rates are that they're returning to municipalities based on what's being collected and based on what the retailers or stewards are putting into the environment. So we utilize that for that program, because like you indicated, that is a shared one where a portion of the responsibility is on the stewards. And then municipalities cover 25 per cent, roughly, of the cost of the program.

Ms. A. Young: — Thank you. And then one follow-up, or one specific question to section 4.3 on page 137. It notes that as of August 2020, which I assume was the time of writing, the majority of municipalities and private organizations within the province do not voluntarily collect or track the information contemplated. And I'm wondering if conversations are ongoing to see if that is something that is being considered to assist in meeting this goal.

Mr. Kotyk: — Yes, that's definitely something that we want to pursue and we are looking with ... we will be looking at ways in which we can better obtain the data. A large part of that will be working with municipalities. I know some have tried to look at doing some surveys and some monitoring of what goes in. There are limitations, obviously. Those that have weigh scales, we can at least get the tonnage that's going into the landfills, and then they can do some audits, you know, select surveys or selection to sift through to see what's actually going in. We've even implemented, through Innovation Saskatchewan there was a competition on how to, for some companies, to put forward some technologies that ... there are a couple of technologies that maybe are promising in measuring at least the tonnage that's coming into landfills without weigh scales and other options like that too.

Ms. A. Young: — Excellent, thank you. One more question if I may. I think there's a lot of really good work that's gone into this and I'm really excited to see the results as this rolls out. And I guess looking at the six goals of the strategy and just some of the challenges that we have from the current state in order to meeting the future state contemplated by these goals and the outcomes therein, I'm wondering if you could offer any high-level commentary on how your ministry will be resourcing the hopeful success of this strategy and in achieving the goals laid out there.

Mr. Kotyk: — Thank you. Well with this past year, we did arrange or were successful in getting one additional position in conjunction with the rollout of the solid waste management strategy. And the branch that's responsible for overseeing this actually did a realignment of resources so that there would be effective focus on the delivery of the solid waste management strategy. It's a multi-branch. There are other branches. Our folks involved in landfills are really engaged on this as well. We are engaging with other ministries — Parks, Government Relations,

and others — to assist. So it's a shared role across government. So it's just bringing that more awareness and focus on the program is, in addition to the new position and realignment, we hope to be adequately resourced to address these.

Ms. A. Young: — Thank you. No further questions.

The Chair: — Any further questions from committee members? Not seeing any. Certainly thank you for the commitment to the important work here, and we'll be following up as a committee and tracking that progress through to implementation.

At this point in time I guess we have these five recommendations that are new to us here today, and I would welcome a motion that we concur with these recommendations. Mr. Goudy moves. All agreed? That is carried.

Well that concludes our work with the Ministry of Environment here today. Thank you so much to all the officials that have joined us here today and for the work . . . Certainly for the answers and information you've provided us here today, importantly for the work that you're involved in throughout the year on these fronts and all others, and all those civil servants and all those throughout our province that connect with that work. So thank you very much.

So yes, we'll recess to clean. Okay, at this point we will recess until 4 o'clock, and we'll have Tourism Saskatchewan at that point.

[The committee recessed for a period of time.]

Tourism Saskatchewan

The Chair: — We'll reconvene the Standing Committee on Public Accounts. We have one final item in our day here today. It's a pleasure to have Ms. Taylor-Ash and Tourism Saskatchewan with us here this afternoon. I understand she was addressing the municipalities of Saskatchewan here today, which is awesome. And what we'll do is I'll turn it over to the auditor to present their chapter, their recommendations. Then we'll flip it over to you and you can introduce your official that's with you here today as well, and then we'll open it up for questions. I'll turn it over to the Provincial Auditor.

Ms. Ferguson: — Thank you, Chair, Deputy Chair, members, and officials. You are actually the last of a day and a half of meetings, or a little bit more than a day and a half of meetings, so you'll see smiles under the masks.

A Member: — We'll imagine that.

Ms. Ferguson: — Yes. I'd just like to extend our thanks from our office for the co-operation extended to the work. Very, very short presentation. In chapter 32 of our 2020 report volume 1, we're reporting that by January 2020 Tourism Saskatchewan fully implemented the last recommendation from a 2015 audit of its processes to use social media. By December of 2019 it had finalized its risk assessment for the social media and was actively using this assessment to update its policies and procedures.

So basically overall, at the end of the day what we're finding is that the Tourism Saskatchewan is using best practices when it's

rolling out its social media. And social media, as I'm sure the officials will share with you, are an integral part of how it's doing business. So we're very pleased to see that progress. That concludes our presentation.

The Chair: — Thank you very much. I'll turn it over to the CEO [chief executive officer] of Tourism Saskatchewan, Ms. Taylor-Ash, to respond.

Ms. Taylor-Ash: — Thank you so much. In thinking about coming here today, I was thinking that social media audit was in 2015, which seems like a lifetime ago now. I'm pleased to have with me Jonathan Potts, and he's our executive director of marketing and communications, and responsible for this area.

We were the first social media audit. I'm not sure, Madam Auditor, if there have been others since, but I do realize we were the first in the province, and the report was a very important report to us.

We did heed what was recommended, and I am pleased to report, hopefully for the final time, to this committee that we have implemented all of the recommendations that were proposed. And the final recommendation had been putting in place a comprehensive social media policy and a social media risk assessment. We have done that, and I do feel that our organization is stronger and better because of it. So we're pleased to report that. And if you have any questions, myself and Jonathan will do our best to answer them.

The Chair: — Thank you. Thank you so much for the work on this front. It's great to see the implementation, all the work on that front. And I guess it's also fair to say that just, you know, I suspect we're all fans of your work and the incredible assets we have within this province and the work of entrepreneurs across the province in communities that really provide world-class tourism opportunities for those us here at home, but also for those that come to Saskatchewan. And our care to all of them, recognizing that this is a really challenging time.

I'll open it up for questions. Ms. Young, Regina University.

Ms. A. Young: — Thank you, Mr. Chair. And I would just echo the comments that he extended when we were sitting in the hall previously on break. We were discussing how one of our favourite things to do with friends over beers is to discuss all the wonderful opportunities that there are here in the province and pitch Tourism Sask slogans back and forth. So we can talk afterwards; we've got some good ones.

But to the content of this report, 2015 was obviously six years ago and I appreciate all the work that's gone into this. And I guess I'm just curious on two fronts. One, as this is my first meeting — and I apologize; you've likely spoke about this at length — if you could discuss kind of what the process is like going through a social media audit or an audit on the topic of social media as an organization here and the learnings that have been taken forward?

And then as a second follow-up question, I note that the comprehensive social media policies were implemented in December 2019. I guess social media use evolves very quickly. We see new and emergent trends and new and emergent risks

seemingly every month. And I'm just curious if you could then offer comment on how this process, I assume, is maintained in an evergreen fashion to adopt to the eternally changing landscape.

Ms. Taylor-Ash: — And you know, Ms. Young, I am a leader that knows that somebody else knows much more about that, so I'm going to turn over the microphone to Jonathan.

Mr. Potts: — I thought that was going to happen. Thank you very much for your question, Ms. Young. The process actually was, like Mary said, I think it was very educational for us. It was something that we had not considered in the social media context previously. I know we're used to accounting audits. So I think it was a real learning process for our team to be thinking about. And for a bunch of creative people to be thinking about things that they wouldn't normally think about, and thinking about risk tolerance and behaviour and so forth, we found it to be a very positive evolution in our processes, and you know, one that was welcomed for sure.

To the second part of your question, like you say, social media evolves constantly. You know, new platforms evolve; we see that all the time. And there is very much an evergreen approach to our social media. What I would say to that, I guess, is that we do have very clearly defined target segments that we've identified through very extensive research. We have personas that we have developed that kind of represent the types of travellers that we're looking for. So we target our social media and use different platforms and create our content to suit those personas in those target segments.

[16:00]

So it doesn't change as quickly in that sense as you might think. For example, we're not on TikTok right now because I feel that I'm a little old and grey for TikTok. I may not be. I don't know. It changes so fast. But you know, we know who we're after. And as things evolve, and we are looking at our segments again right now and applying more research to them as it evolves, we look at channels differently and we look at how we interact differently.

Ms. A. Young: — Excellent. Thank you. I was going to ask a follow-up question about TikTok, but that has been addressed. Thanks. No further questions.

The Chair: — Mr. Goudy, are you on TikTok?

Mr. Goudy: — My daughter tried to get me to go on there but . . . [inaudible].

The Chair: — Okay. Any further questions from committee members? Mr. Nerlien.

Mr. Nerlien: — Thank you. I have a quick question. How does your social media engagement reflect in terms of your responsiveness in the tourism sector? And I'm thinking of the things that we are proactively engaged in in tourism as opposed to the private industry. But what feedback from the general population is used to design and develop and respond in terms of tourism opportunity?

Mr. Potts: — Just before I answer your question, I want to make

sure I understand it correctly. So what feedback from the general population do we use to guide our social media? Is that correct?

Mr. Nerlien: — Not necessarily to guide the social media but to guide the tourism, the development of tourism engagement for that population.

Mr. Potts: — Okay. Yes, I mean a key element — and it's a good question — a key element of what we measure, actually a prime element of what we measure with our social media is engagement. One of the things we've been talking about recently and one of the beauties of working for a place like Tourism Saskatchewan is that our social media channels are full of positivity. Even during the time of COVID when there's, you know, a lot of debate and discussion and rancour and so forth, we very rarely get negative views.

With that said, you know, we measure both the volume of engagement but also the sentiments. We do sentiment analysis and look at the actual types of comments that we're receiving. That drives . . . I hate to use this term but we do sometimes call them unicorns. So if we get very positive response to a certain type of post, we will look at that and analyze it and see if there's any trends with other posts that we've done in the past to see if, you know, we need to be doing more of that, for example. And we'll start to amplify that to get better engagement and get our message out further.

In terms of the actual development side, you know, again we use our engagement to look at what people are interested in. You know, we've done a number of new or taken advantage of a number of new opportunities in the last few years in terms of development with the industry. And I don't know, Mary, if you want to speak to those at all. But yes, we've really started to focus on some different elements and aspects of the tourism industry in terms of development because we see growth potential there and we can correlate it to the types of commentary that we get.

Ms. Taylor-Ash: — Yes, as Jonathan says, I guess the beauty of social media and sometimes the horror of it is that it's immediate. And when we have things, and I think this is to your point, that we target, all of our posts are very much targeted to an audience. And so nothing is really random that we do.

And so we have our market segments. And we have, for example, we have Val who is a slightly older woman — and I'm saying that because I think I might be Val's age — and she is the keeper of family memories. And so she wants to do things with the grandkids. She also wants to do things that are safe. She's one, she's just one of our target audience. And we target things to Val. And if they resonate with Val then we know we're onto something.

And so from what Jonathan is talking about from the development side, not just the marketing side, we also can identify, well Val really liked this activity at Grotto Gardens, you know, the goats, the petting of the goats and that kind of thing. So then there may be other activities that can be built on that that are very similar. And we know, you know, we're getting that kind of feedback from our visitor or potential visitor that helps in us even developing things.

We are now moving and Jonathan is leading this effort because

. . . And thank you for your recognition that our industry has been devastated by this pandemic. It's been extraordinarily difficult for the people that we work on their behalf. And we have a restart marketing strategy. And that restart marketing strategy will look at activities based on a number of scenarios, and whether we have to stay, as we call it now, hyperlocal. People shouldn't be travelling if they don't need to. Explore your backyard, you know, go skating somewhere with your family. But you know, be very mindful of that, right up to — and the vaccine rollout announcement was today — right up to being, you know, the population is vaccinated, and so we can open up more. Maybe our borders get open again. Our outfitters would sure like that, but it's not safe to do now.

So in that restart strategy as well, we are going to be even more targeted because Saskatchewan . . . And I always love coming and talking to you folks because you love Saskatchewan. You know, everybody here really believes in it. But we struggle with getting the attention of Canadians or other people that don't know us. So we will be looking at focusing on what we call niche markets and passionate markets and things that we know Saskatchewan offers that there are people out there that are interested in.

Our digital presence really helps us with that. You can talk to passionate groups. We see them all the time as social media people who are, you know, so passionate about a certain thing, whether it's flying kites or running or whatever your passion is. I'm very long-winded. See, you shouldn't have asked whether I wanted to comment. But yes, we react a lot and we enjoy the engagement on social media and we learn from it.

Mr. Nerlien: — A quick follow-up. How do you proactively get that information out to the private sector?

Ms. Taylor-Ash: — Maybe, Jonathan, you could . . . because we're in the process of gathering some information and he's leading that.

Mr. Potts: — Good question. We have a number of means of doing so. We work with destination marketing organizations across the province, you know, in the cities and in rural areas as well. We meet with them on a regular basis to share information. We have communication that we send out. We have industry updates we send out every second week or so, sometimes more regularly, especially during the pandemic. We, you know, send out a newsletter quarterly as well with the whole research side to it to speak to the industry.

And we also, you know, we'll undertake initiatives where we really target different groups within the industry to look at new opportunities and new ways of doing things. So just as an example right now we're working with Cypress Hills . . . pardon me, it's called Cypress-Grasslands destination area now, and Tourism Swift Current, and looking at opportunities in the southwest region to really bring forward some of the unique things like Mary was talking about. So from a niche perspective, it could be dark-sky preserves. There's two dark-sky preserves in the Southwest. It could be the flora and fauna of Grasslands National Park. It could be dinosaur bones. We will focus in on something very tightly and then work with the industry in that area to help try to build upon that.

The Chair: — Deputy Chair Young.

Ms. C. Young: — Yes, there is so much great potential for tourism is our northern area of the province, and you're just talking about our south and southwest areas and the partnerships you have with them. I notice there's even more Indigenous TV channels, such as APTN [Aboriginal Peoples Television Network], and there are some radio channels now that have some, you know, Indigenous opportunities. Are there partnerships there? How are we working with them to get the message out on Tourism Saskatchewan in order to benefit their areas of the province and what they have to offer?

Ms. Taylor-Ash: — Yes, it is a great question. And we are working with the Indigenous Tourism Association of Canada. And they have launched . . . Unfortunately it's been right when the pandemic kind of started, but we are working with them on an Indigenous tourism strategy that we've all agreed is a good strategy. One of the issues is that the pandemic has hit tourism really hard, Indigenous tourism businesses even harder. So you're starting to build some energy around it in the province in terms of developing tourism with Indigenous operators.

A lot of our research shows, and Jonathan's team has done some research on Indigenous, what kind of experiences people are looking for, all of that. But a lot of that market was not really a local market. It tended to be, you know, a little further afield. And so, you know, some of the work we do in UK [United Kingdom], Germany with tour operators, even looking at the US [United States]. And of course those markets, you know, it's going to be a while until we get those back. So yes, we are working.

In fact, Jonathan and I have a meeting this week with the Indigenous Tourism Association of Canada. We realize that this is a key area and key stories from our province that we do not have enough of in terms of experiences. And, you know, we are gradually working towards that. I would say the pandemic has set things back a little bit, but we will get back on track.

Ms. C. Young: — This is a follow-up comment. One of the things that has really progressed over the last couple of years that'd be important to work with on the tourism part is the cultural camps that have been established in many of our Indigenous communities in the North.

Ms. Taylor-Ash: — And you know, we are really interested in opportunities to be able to tell the story. One of the things I had mentioned before is that in . . . Saskatchewan's been challenged with defining who we are as a tourism destination or how we are different than Manitoba or, you know, the prairies part of Alberta or whatever. So we're working very hard at understanding, and we work with this program, this kind of place-DNA. But I think that speaks to a lot of people when you understand the DNA of where you are.

A big part of this province and the story and the culture is Indigenous. Now we have been doing work. We've worked with a wonderful young tourism operator out of Cumberland House, Michela Carrière. I always want to say Carrière, but it's Carrière? Jonathan always corrects me . . . [inaudible interjection] . . . No, it's the other way? Sorry. See I never get it right. He keeps trying to tell me.

But Michela comes from a long line of people who understand that area very, very well. You know her family's been in business there. And she's really interested in, and she was offering — and will, you know, once things return a little bit more to normal — the medicines of her people. All of that and taking people on the land, you know, in canoe, and that kind of experience, which is very appealing to a lot of people coming from outside of our province as well as some from inside as well.

But we've got little . . . You know we try to work very closely with those operators, and especially some of the newer, younger people, because our industry tends to be . . . Some of the operators are a little bit older, and we look at succession planning. So we really want to encourage young people to find a place as tourism entrepreneurs.

The Chair: — Thank you very much. Do you have another follow-up, Deputy Chair? I know Ms. Young does. Nice shout-out to Ms. Carrière out of Cumberland House. That's really cool. And such an amazing community, the oldest community in Saskatchewan, the largest delta in North America, and lands . . . like, this ecosystem that, you know, you can't find anywhere else. So that's really cool. I wasn't aware of her endeavour and I look forward to checking it out. So I'll pass it over to Ms. Young.

[16:15]

Ms. A. Young: — Thank you. And I just have a follow-up question, I think, spurred in part by the excellent questions from my colleagues across the table, and particularly to Mr. Nerlien's comment about how that information gets out to the private sector. And you know, I assume you do micro-targeting and things with your ads and I'm wondering how much interrogation goes the other way.

For example if, you know, we're talking about our Indigenous communities, and Indigenous people travel too in the province. So if you notice all the Indigenous retirees are checking in at Manitou or lousy millennials from Regina with a vintage trailer keep going to the Great Sand Hills and stopping at local breweries along the way, I'm wondering, do you look at that kind of organic information out there in terms of, you know, just the functionality that we have within Facebook and Instagram, and then feed that back to the various, either destination marketing areas or business communities?

Ms. Taylor-Ash: — One of the really interesting things . . . and then if you want to comment, Jonathan. One of the really interesting things we've done with the private sector, and also with some festivals and events, is postal code analysis. And so through Environics you can take postal codes of people attending something and you can find out a lot about communities through that. And so we did it. Even with the Queen City Marathon, they worked with us and gathered all the information, and we got great insights out of that. They, you know, thought some of the people participating were coming from different places than they actually were.

We did it with the powwow here, the First Nations University Powwow and got enormous amount of intel. And so yes, we do that and then we share that. We're working with our partners. So we could be working with Tourism Regina on that. We might be working with just an individual operator because they want the

analysis. And then you're able to tell a lot more about your customer. I don't know if you want to add to that?

Mr. Potts: — Yes, thank you for the question. We can go analog with postal code analysis or we can go digital with geofencing which if you've . . . Rest assured that the tourism Big Brother is watching you. We can essentially, with Environics, geofence a geographic area, specific geographic area. So an example I might use would be Over the Hill Orchards just north of the city. And we can look at what cell phones have travelled to their area over the past year, for example, identify all the different area codes and down to the second set of digits and figure out just exactly what neighbourhoods, what types of neighbourhoods those are coming from, cross-reference it with other data.

So we understand then the socio-economic and psychographic profile of those visitors. And we can, you know, to the point of target marketing we can then really spend our time really getting at — or they can — getting at the exact type of customer that's coming out there, so getting more of them. Yes, it's a very cost-effective way to market, obviously, and something we're doing a lot more of.

The Chair: — Mr. . . .

A Member: — Dana Skoropad.

The Chair: — Skoropad. We don't spend enough time together as MLAs [Member of the Legislative Assembly] here these days. So, Mr. Skoropad, go ahead.

Mr. Skoropad: — I thought I was missing something there for a second. You know, just actually piggybacking your question there, I'm really interested in your answer here, just related to measuring the effectiveness of the social media campaigns. You know, you had spoken about measuring the sentiment and now about Big Brother watching. I'm just wondering how you are measuring the effectiveness of that as it relates and turns into economic dollars.

Mr. Potts: — Very good question. The first thing, again, I might start with the analogs this time, and then go back to the digital. But we just — a really good example — recently we had one of our staff out in Maple Creek in the Cypress Hills. He stopped at, if any of you have been to Cowtown Kids Toy & Candy, a great, a huge toy store in Maple Creek — largest selection of puzzles, I think, in Western Canada, something like that — in an historic building.

So he stopped in, in January, made a great post about that business. They received 800 new followers on their social media channels immediately afterwards. Had sales . . . They do a lot of mail order, so mail order sales across Western Canada, a huge spike in sales immediately, you know, in a month when typically retail sales would be down. And attributed it all to the visit from our staff person. So you know, we get a lot of those types of anecdotal, like I say, kind of analog responses, so we know we're doing something right.

Overall though, we do look for engagement. You know, views . . . you can buy views on social media. But we also know when something resonates. We had a winter activity video that recently went out, did very, very well. We had one, Hearth Restaurant in

Saskatoon and how the owners had — to use that term — pivoted their business over the last number of months. And it was a very heartfelt video and received over 300,000 views and I think we spent \$100 promoting it.

You know, it's things like that where we can . . . There's a number of different factors that we measure, so it's a little hard to give you a very straight answer. But you know, that engagement . . . Really what we're looking for is engagement, you know, likes and comments and shares and so forth. And then that speaks to the reach and ultimately that's what leads to those increased sales for those types of businesses.

Mr. Skoropad: — Thank you.

The Chair: — I suspect we could spend hours here. This is all a passion discussion for all of us. Any other questions with respect to Tourism Saskatchewan? I know you mentioned Over the Hill Orchards. I think of the Kreutzers out there and you'll have tracked my phone there quite a bit this last year, and I would urge folks out there. I mean amazing wine, beautiful pie, and this is your time to place your order for dwarfing rootstock apple trees and prairie-hardy cherries. It's quite the spot.

Not seeing any other questions at this point, we will conclude considerations on this chapter. We'll thank Ms. Taylor-Ash and Jonathan Potts for their presence here today. All those throughout the organization as well, throughout Tourism Saskatchewan, please extend our thanks. And importantly once again, to all those operators and communities and organizations that are involved in tourism. We're thinking of them right now and we look forward to celebrating them and joining them in the months ahead when we can do so safely.

So that's that with Tourism Sask. Thank you very much.

At this point in time I'll table the status updates that we've been referring to today: PAC 21-29, Ministry of Education: Status update, dated February 9th, 2021; PAC 22-29, Ministry of Energy and Resources: Status update, dated February 9th, 2021; PAC 23-29, Ministry of Education: Status update, dated February 9th, 2021; PAC 24-29, Tourism Saskatchewan: Status update, dated February 9th, 2021.

That's all of our business, so I'd welcome a motion of adjournment.

Ms. C. Young: — So moved.

The Chair: — Moved by Deputy Chair Young. All agreed?

Some Hon. Members: — Agreed.

The Chair: — That's carried. This committee stands adjourned until the call of the Chair.

[The committee adjourned at 16:24.]