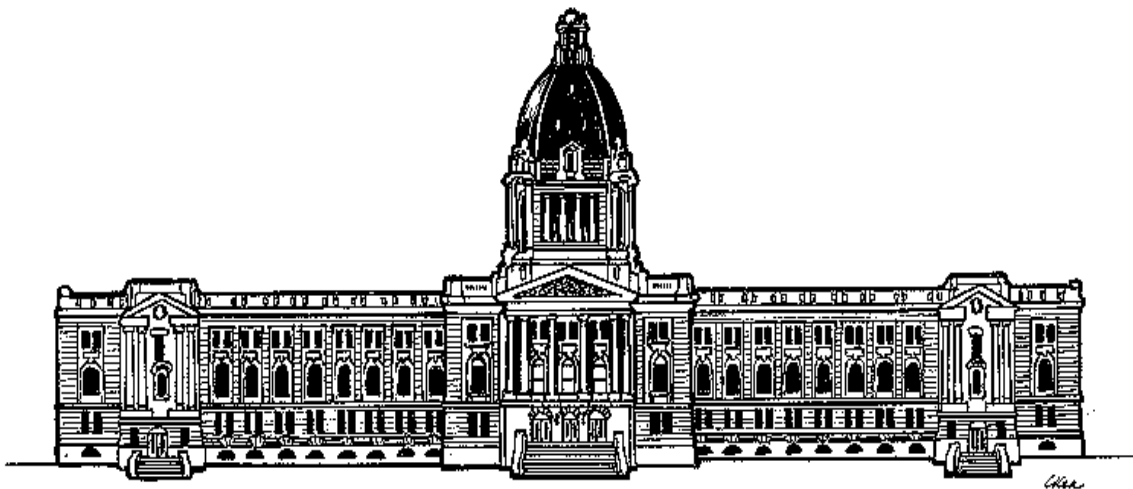




STANDING COMMITTEE ON THE ECONOMY

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Legislative Assembly of Saskatchewan

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STANDING COMMITTEE ON THE ECONOMY

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Ms. Victoria Jurgens
Prince Albert Northcote

[The committee met at 18:58.]

The Chair: — Good evening members, Minister, and officials. I want to welcome you to our Economy Committee meeting tonight. Tonight we will be discussing the Ministry of Economy, vote 23, central management and services subvote (EC01); as well as Saskatchewan Research Council, vote 35; Saskatchewan Research Council subvote (SR01); and Innovation Saskatchewan, vote 84; Innovation Saskatchewan subvote (IS01).

We will begin with the Ministry of the Economy, vote 23, central management and services subvote (EC01).

I will invite the minister to introduce himself and his officials, and maybe some opening comments.

**General Revenue Fund
Economy
Vote 23**

Subvote (EC01)

Hon. Mr. Boyd: — Thank you Mr. Chairman. Good evening committee members. Thank you very much. It's a pleasure to be here this evening to consider the estimates for the Ministry of the Economy. We have a number of officials here tonight. And I'm pleased to introduce just some of them, and perhaps maybe I'll be able to introduce more as we require later in the evening that are here.

Sitting on my right is Kent Campbell, deputy minister of the Economy. To my left is Denise Haas, chief financial officer for the ministry. Behind me on my right is, far right is Laurie Pushor, senior advisor to the deputy minister. Next is Rupen Pandya, assistant deputy minister of labour market development. Next is Tony Baumgartner, acting assistant deputy minister of economic development; and last in that row is Kim Krywulak, manager, financial services.

Mr. Chairman, as you know, our province has undergone a significant economic shift through some government policy and hard work of the citizens of Saskatchewan. We are seeing unprecedented prosperity in this province to the benefit of everyone in our province. While we have plenty of opportunities with a growing economy, we must also be poised to tackle the challenges, which is why the theme of this year's budget is appropriately titled, *Balanced Growth*. This is a budget that outlines the expectation of our government and all of those who call Saskatchewan home. It is a budget that sensibly manages the public purse while creating and expanding opportunities and meeting the challenges of ongoing growth.

Once again we have balanced the books while controlling spending, investing in priority areas, and supporting the quality of life for Saskatchewan's ever-expanding population.

The Ministry of Economy will be the key to the delivery of these budgetary goals. This ministry brings together the primary drivers of this province's economy, and it is tasked with the considerable role of helping to drive Saskatchewan's growth agenda into the year 2020 and beyond. It will be working hard

to keep Saskatchewan growing and thriving within the context of a balanced budget. The Ministry of Economy is facilitating business and attracting investment to the province. It is helping to find workers to fill jobs and identify employment and learning opportunities for First Nations and Métis people and for all of the people of our province.

All of this is being undertaken while boosting the province's reputation as one of the fastest expanding jurisdictions in the country. At no time in our history have we seen so many people living within the borders of our province. Nearly 1.2 million people now call Saskatchewan . . . 1.1 actually, I think it should be, now call Saskatchewan home and each and every day that number grows. Some of the new citizens might in fact be our old neighbours. People are moving back to our province, thanks to our economic strength here. Others are coming from across the nation and in fact around the world. These hard-working men and women and their families see great promise in what Saskatchewan can offer their futures.

Saskatchewan continues to lead the nation in employment growth. In March there were 547,700 people working in the province. Some 25,700 more people were added to the payroll, compared to the same time last year. With more people working, unemployment dropped to a low of 3.9 per cent. This was the lowest in Canada, and nearly half the national rate of 7.2 per cent. Saskatchewan will need 75 to 90,000 people to fill the jobs that are available in Saskatchewan in the next five years, making labour market issues and immigration one of the many keys to our continued economic growth.

New businesses, new investment, and the sale of Saskatchewan commodities will also play an important role. Right now in the province, business optimism is at an all-time high, and public and private capital investment is expected to exceed the \$20 billion mark for 2013. This will mark the sixth consecutive year that new investment in Saskatchewan has exceeded \$14 billion.

Our export sales are thriving with Saskatchewan-made products in demand all over the world. Last year the province realized \$32.6 billion in sales, our highest export sales ever recorded. And for the first time in history we have exceeded the exports of the province of British Columbia.

Mr. Chairman, the Ministry of Economy's operating budget for 2013-14 totalled \$275.8 million. This is an overall saving of 13.1 million from the year prior. The cost reductions in this year's budget were achieved through the amalgamation of resources, management of vacancies, and attrition upon creation of the new ministry in 2012. Several opportunities are identified in the budget to support important labour market programming. These investments include 1.5 million to increase the Saskatchewan Apprenticeship and Trade Certification Commission to purchase 300 additional training seats, a \$500,000 increase to skills training, an additional 1.5 million for immigrant settlement programming, and increases to the provincial training allowance and apprenticeship training allowance as well.

This ministry believes strongly that the calculated measures that it has taken in the budget will benefit many sectors that comprise this thriving economy, as well as our most important

commodity: our hard-working, knowledgeable, and determined people. Together with our citizens and businesses, the ministry will continue to keep moving Saskatchewan forward, using the government's growth agenda as its road map.

Mr. Chairman, I would note that we have officials from a number of different organizations that are under our responsibility — Innovation Saskatchewan; there's Saskatchewan Research Council and others — so I guess I would ask committee members if we could, it would be helpful if we could confine our questions to different areas as they come up. And I just ask everyone's co-operation so we can have the proper officials at the table if that's possible.

Mr. Chair, that concludes my opening comments. We're ready to address questions.

The Chair: — Thank you, Mr. Minister. The committee is now open for questions. Mr. McCall.

Mr. McCall: — Thank you very much, Mr. Chairman. Mr. Minister, officials, welcome to the committee. Glad to be able to join you tonight for consideration of these estimates.

To respond to the minister's request right off the top, that is certainly what we will endeavour to do, is to better compartmentalize the lines of questioning. Just by way of explanation as well off the top, I'll be with you until about 9 o'clock, at which point I'll be passing the baton to my colleague the member from Rosemont. And he will have more questions that relate directly to the economy. But at that point we'll soon thereafter get into questions that deal more fully with Innovation and Research as well.

I was going to ask off the top why it is that you've sat the Research and Innovation folks in the corner, but perhaps they're just being thoughtful back there. I'm sure it's not anything against them, but that's most likely the case.

Anyway that being said, Mr. Minister, Ministry of the Economy is a pretty huge undertaking and brings together a number of strands, as the minister has referenced in his opening comments, of government's activity. And certainly myself as the critic for Advanced Education, it was interesting last week in estimates sort of . . . [inaudible] . . . out what is now in the Ministry of the Economy and what has remained in Advanced Education. So if I seem to be asking questions based on old understandings, I'm sure the minister will bear with me and be patient in that regard.

But off the top, Mr. Minister, just to ask the question, the FTE [full-time equivalent] complement for the ministry has gone from 628.5 last year to 578.9 this year. I have some assumptions about how that has been accomplished, but perhaps the minister could tell us about those FTEs, which of course represent the people in the ministry that do that hard work that helps this economy go and grow.

Hon. Mr. Boyd: — The Ministry of Economy, as it was set up, was envisioned by the Premier of Saskatchewan to provide greater efficiencies in terms of a number of areas, some of them as examples would be investment attraction. We had investment attraction housed within a number of different ministries in the past, which was something we inherited, but there was members

in Energy and Resources. There were members in Agriculture. There were members in a number of various ministries. It was felt that by creating a central Ministry of the Economy, that could provide some greater efficiencies with respect to investment attraction, just as one example. And there are others as well.

As a part of that, we were also tasked with trying to find, as a part of the goal of our government, which is to reduce overall FTEs in our province, full-time equivalents in our province. That has been largely accomplished I believe through a number of ministries, all ministries for that matter. It has been done with, I think, with very little disruption, I guess I would say. They come in this particular ministry, the FTEs come from a combination of efficiencies that were found in the creation of the ministry, which were the result of the focus on sectors of the economy that had the largest impact on the building of the economy, as well as transfer of staff to other organizations such as Tourism Saskatchewan and Innovation Saskatchewan.

The last stage of reductions for our ministry is to meet the workforce adjustment targets that we have. These have been largely done through attrition. I think this is certainly and simply not . . . And vacancy management, and I think that's an important thing. We haven't handed out, you know, notifications of people losing their jobs in any large measure, I would say. And this has largely been accomplished, as I say, through attrition and vacancy management.

Mr. McCall: — In terms of the overall . . . This is the final year of the workforce reduction program that your government is heading up, and I realize there is a reorganization restatement of FTE counts that goes into this. But if you could, if there is a way to describe what's happened over each of those years leading up to this year in terms of FTE counts for the Ministry of the Economy?

Hon. Mr. Boyd: — Well it's a little bit difficult to quantify them from the past because the Ministry of the Economy has only been in existence for approximately, well it's less than one year here. So it's a little bit difficult to quantify them because in the past, they were in a number of different ministries.

I would just say that we feel that we are accomplishing the goals that were set out in terms of FTE reductions within the ministry which is, I think, important, and a number that have been reduced. I also wouldn't simply dismiss that there's a possibility in the future that we will continue to look for, as a government, increased and continued in efficiencies in the overall management of government.

Mr. McCall: — At the start of the minister's response to that question, he'd said that it's difficult, but certainly not impossible. You're able to restate estimates for each of the departments, each of the new constituent parts of the ministry. Is it possible for the minister to provide that information to the committee for each of the past four years?

Ms. Haas: — Hi. Denise Haas. You're correct in saying that there's restatements, but for positions that are cut in previous years, those aren't restated. So savings under workforce adjustment that would have been captured in the former entities would still be attributed there because those positions are gone.

They're not restated into Economy. So I mean I'm sure that a central committee has track of that somewhere, but it's not part of a restatement that we would have from all the other ministries and agencies.

Mr. McCall: — So I guess when it's stated that the Ministry of the Economy has helped out with the overall 15 per cent reduction of public servants over the past four years, you're only really able to track the last year's. Am I able to take that from what you're saying, and it's the global number that you look to for each of those years, and that's how you get the 15 per cent? Or how do you assess what contribution the Ministry of the Economy has made to the overall workforce reduction?

Ms. Haas: — Okay. Coming into the ministry, when the Ministry of the Economy was formed, each of the organizations that came in brought what was left of their required reductions with them. So being that this is the last year, we can tell you what this last year of reductions is under the Economy, but the historical amounts that may have been cut before this year would how . . . So I'm not sure if I'm answering your question, but I mean the current year, we can tell you that.

Mr. McCall: — That's helpful, and if you could, please.

[19:15]

Ms. Haas: — Okay. So the current year was in total . . . for workforce adjustment is between the '12-13 and '13-14 would be a total of 27.2. And do you want that broken down between the different . . .

Mr. McCall: — Sure.

Ms. Haas: — Okay. Just give me a second. Here we go. Where that is found is, it's in what would have been the former Energy and Resources, would have been 16. The amount coming forward from First Nations and Métis Relations would have been 1.2. Labour market development would have been 6 and Ec Dev . . . There we go. Sorry. And Economic Development, 5.3; and mineral lands and resource policy, 1.

Mr. McCall: — So thank you very much. Between efficiencies and attrition, what is the division thereabouts? What were positions that you've eliminated through vacancy management or just declaring positions redundant and what were actual efficiencies found through redundancy when you've brought together different of these components?

Mr. Campbell: — In terms of the 49.6 number, there was 23 positions that were eliminated as part of the restructuring, and a lot of those positions came from when we brought the organizations together, areas where there was overlaps and things like, you know, finance and corporate services, those types of areas.

The remainder of the workforce adjustment targets have been divided up by division, and to date we've been able to manage those through vacancy management. So for example on the Energy and Resources side coming into this ministry, we were able to manage that through simply vacancy management. And that is always our intention moving forward. It's not a guarantee but that is certainly our preference.

Mr. McCall: — I guess one of the new sort of combinations that this kicks up is the position of special adviser to the deputy minister. Has that position been around for any great length of time? Or could deputy minister officials tell us about the origin of that and how that position works?

Mr. Campbell: — Yes. That position was established shortly after the establishment of the ministry, and it was really in large part to reflect the fact that, as you had mentioned earlier, there is now a large number of initiatives, a large number of functions under this new ministry, and I really needed some assistance on some major projects. So a lot of it has to do with that. Whereas previously I may have been able to engage on particular projects, I simply have less time to do that. So having somebody senior in my office who can help out on those big projects was the rationale.

Mr. McCall: — Thank you for that. In terms of the physical operations of the ministry, has there been a fair amount of consolidation of space, renegotiating of leases? Can the minister or officials describe what's taken place in the ministry?

Mr. Campbell: — We are largely in the spaces that we were before, so we've been able to reduce our footprint size a little bit, but we have not been able to consolidate our space in any significant way. So a lot of the . . . Petroleum and natural gas division, as an example, is in the financial services building, which they were in. The folks in labour market continue to be in Grenfell Tower where they were before. And it was largely just because there wasn't an available block of space in a good location for us. And there obviously would be costs associated with that regardless. So we've, certainly for the current time, we've been able to reduce our overall space but we're still largely in the same buildings we were before.

Mr. McCall: — As the consolidation continues to evolve, are there any anticipated savings through reduction in footprint and leases expiring and the like?

Mr. Campbell: — I think that's certainly something that we've had, you know, conversations with Central Services about, if there are opportunities that we'd be interested in taking a look at, but nothing specific at this point. And part of that has to do with we do have a large number of staff in Regina, as an example, so you would need to have some pretty significant space come available to really make those opportunities have a benefit because you don't want to divide up divisions either. So the challenge is, you have divisions largely in the same buildings so the challenge for us as an organization is to build one team despite the fact that we are in different physical locations.

Mr. McCall: — Well I'd agree with the challenge of that, but we'll move on to a bit of a different line of questioning.

In terms of the wrap-up of Enterprise is what I'm presuming is contained under (EC19) on page on 53 of the Estimates, can the minister or officials describe what is outstanding in terms of the Enterprise file, and what the ministry is undertaking to fulfill the requirements there.

Mr. Campbell: — So the big change occurred over the summer where the staff and functions of Enterprise Saskatchewan were

rolled into the new Ministry of the Economy. Enterprise Saskatchewan remains as an entity, but the employees and staff were transferred over. We expect it to remain in existence until probably March of 2014. There are some existing obligations under the Western Economic Partnership Agreement, the Community Development Trust Fund, that it just didn't make sense to transfer over. So it's in effect still there, but it's not functional apart from meeting its existing commitments. And I'm the acting CEO [chief executive officer] of the organization as well as being deputy minister of the Economy.

Mr. McCall: — In terms of the ... I guess I have a few questions in that regard, but previously in the province we've had bodies such as the Saskatchewan Labour Force Development Board which was then subsumed by the Labour Market Commission. The Labour Market Commission in turn was subsumed by Enterprise Saskatchewan. Who performs that function for the Saskatchewan government today?

Mr. Campbell: — On the labour market side we have the labour market task force, which is a committee that I co-chair with Holly Hetherington on behalf of the chamber. And right now we're doing some work around concepts of labour market strategy. You'll note that was referenced in the growth plan in the fall. So that is the external organization we look to for advice on the labour market front.

In terms of the other committees and councils of Enterprise Saskatchewan, those have been all put on hold as we do an assessment in terms of what types of advice we need. One of the things I felt that, in bringing the merger together, was that there was probably more committees than we would need. So we're doing a bit of an assessment right now in terms of what vehicles do we need to have that external advice in the labour market. Task force is one example.

Mr. McCall: — In terms of — well thank you for that — the different functions or endeavours or teams or sector initiatives or the various things that are under consideration right now, aside from the labour market task force, when will that consideration be wrapped up? Is there a projected time when that needs to be complete?

Mr. Campbell: — Well it's certainly something we're hoping to wrap up pretty quickly, having done our assessments. But it's really going to be not committees on an ongoing basis but rather on a functional basis as we need them. So if there's a particular issue or a particular sector that approaches us with regard to a problem or interest in developing a strategy, then we would form a committee at that time rather than having ongoing committees.

So for example, one of the things that we had and continue to have when we were at Ministry of Energy and Resources and now Economy was very good relationships with the Saskatchewan Mining Association and the Canadian Association of Petroleum Producers. So we're able to liaise with them on issues on a fairly regular basis so there's not really, we don't think, a need for a separate committee unless there's a particular issue that we jointly agree needs some problems to be solved. So I guess the short answer would be that those will be established on an as-needed basis for a particular time period with a particular deliverable.

Mr. McCall: — Okay. Thank you for that. So moving into labour market development more specifically and again at note, my colleague is yet to come along and will have questions for the other subvotes in the ministry and I'm sure some questions that relate to labour market as well. But starting off under the (EC13) with immigration, I have some questions there. Maybe I'll let the official get seated. Ready to go, Minister? Very good.

In terms of the immigration subvote, it's going from 7.63 million to 9.153 million. Could the minister or officials describe what is entailed in that increase?

Mr. Pandya: — Thank you for the question. It's Rupen Pandya, assistant deputy minister, labour market development. The increase is specifically provided to further support settlement and integration programming within the immigration settlement programming. The increase is for 1.523 million, which represents a 20 per cent increase in that vote.

Mr. McCall: — Could the minister or officials talk a bit more about the pressures that necessitate that increase?

[19:30]

Mr. Pandya: — Certainly. So the immigration settlement program in Saskatchewan was designed principally to respond to gaps in the immigration settlement architecture that exists in federal programming. The number of immigrants to the province is used as a basis of determining federal allocations of settlement support to Saskatchewan. So based on increases to the Saskatchewan immigrant nominee program and federal immigration streams, the total number of immigrants who have arrived over the course of the last three years is funded by the federal government through a settlement program envelope, so there's some \$25 million provided to Saskatchewan through the federal government for settlement programming in the province. At the time of the development of the immigration strategy in 2009, it was felt that there needed to be in place funding that would respond to gaps in terms of programming available to newcomers arriving into the province, so principally in terms of people who were arriving who hadn't quite yet achieved permanent residency status who needed access to services.

We also felt it was important in terms of the architecture of a fulsome response on settlement to ensure that we had in place an infrastructure that could provide settlement information and referral to newcomers who were arriving across the province. We now have newcomers arriving from over 192 different countries going to over 325 communities across the province. So in terms of the major pieces of infrastructure that the provincial settlement program supports, it would be around what we call immigration gateways. So there are 11 gateways province-wide that are located in the centre or as hubs to provide service in 150-kilometre radius around each one of those communities to support newcomers arriving into the province.

Mr. McCall: — Okay. Thank you for that. In terms of the FTE complement for immigration as the line item in labour market, what's the FTE count right now, and how has it changed since last year?

Mr. Pandya: — The current FTE complement is 51 FTE for the immigration program. When the Ministry of the Economy was created, the settlement program itself was distributed across other divisions of the labour market — other branches, pardon me — of the labour market development division. So the settlement program was distributed into labour market policy and planning branch as well as the labour market services branch.

And the separation was more or less functional. So those FTEs that were principally engaged in contract management and the delivery of services moved into our new labour market services branch, which brought together our career and employment services system with our settlement system. And those FTEs that were responsible for program policy went into a new branch called apprenticeship and workforce skills, and those FTEs that were responsible for policy were brought into the labour market policy and system support branch.

Mr. McCall: — Thank you for that. Certainly something that comes up in the plan for growth and which has been a bit of an outstanding point of contention between the province of Saskatchewan and the federal government is the allotment under the Saskatchewan immigrant nominee program. I guess if the minister or officials could discuss, just for the record, how that allotment works, and we'll have some follow-up questions for that.

Hon. Mr. Boyd: — Well the federal government sets those numbers. We don't have the luxury of setting them. We rely on the federal government to provide the, you know, the number of immigrants under the nominee program, and we work accordingly. Currently it is 4,000. We've asked for an increase to 6,000. We're working and continue to work with the federal government with respect to that. We've had some communication back and forth. Our sense of it is that that number will likely be much less, that the 2,000 in fact might be the entire country. So we'll, you know, we'll continue to work with the federal government with respect to this.

We have I think in Saskatchewan significant job options or opportunities I should say for people here in the province, a very large and robust economy and growing economy. And as a result of that, we have a lot of pressures in terms of seeing the right complement of people to take up those jobs. So you know, that's the driver behind asking for the increase that we have in our province.

Now as I said, we have had some communication back and forth with the federal government in recent days. We expect we will be in a position at some time, I would say relatively soon, to become . . . put it before the people of Saskatchewan as to what we will be allotted.

Mr. McCall: — Thank you, Mr. Minister, for that answer. I guess it raises a number of other questions in terms of first, if you could go back to, you'd referenced that you think the 2,000 increase is what is going to be allotted as an increase overall in the entire country. Am I understanding you correctly when you say that?

Hon. Mr. Boyd: — That is some of the early indications that we're receiving, yes.

Mr. McCall: — What rationale is extended by the federal government for that?

Hon. Mr. Boyd: — Well I guess they're saying that in terms of overall immigration numbers, they have determined a goal as to where they want to reach with respect to that, and they've also determined that there's a goal that they want to reach — I assume anyway — with respect to the provincial nominee programs.

We, on the other hand, believe that the nominee program here in Saskatchewan is working very well in a number of ways. If you look at some of the factors like retention, if you look at some of the factors like salaries that people are receiving, we're doing pretty well, in fact outpacing I think some of the federal numbers with respect to that. So we think we have a pretty good case. But ultimately we can put the case before the federal government, but ultimately they will be the final determining factor as to what the number of increase in nominees that we receive.

Mr. McCall: — I guess I have a hard time understanding what the federal government's rationale might be because I certainly share the minister's perspective that what we have has been quite successful and would certainly seem to indicate the capacity for an increased allotment under SINP [Saskatchewan immigrant nominee program] and what that has meant for the province as a whole. So does the minister have any more insight as to what the thinking is of the federal government on this file?

Hon. Mr. Boyd: — No I really don't have any more insight into it. I'm just saying that I suspect that they have some goals with respect to numbers that they want to reach. That's about the extent of the information that they have provided us with, and we have to work within it. There's no way that we can, you know, demand. I suppose we can demand it, but we certainly can't prescribe to the federal government what we want. It's a case of we put our views forward as direct and as forcefully as we can, and then they make the final determination based on whatever criteria they may have beyond simple goals.

Mr. McCall: — So you as minister have communicated this to I presume Minister Kenney. If you could just characterize the efforts you've undertaken as minister to press the case for Saskatchewan.

Hon. Mr. Boyd: — We have both spoken to Minister Kenney on a number of occasions at federal-provincial-territorial meetings. We have spoken to him a number of times on the telephone with respect to this, and I believe we've had a number of communications by letter with respect to the concerns that Saskatchewan has. The Premier has also raised issues around this with the Prime Minister, and I also believe that there has been a lot of discussion between officials both at our level and at the federal government level.

Mr. McCall: — Well I thank the minister for that. I guess in terms of having set the goal of increasing the allotment to 6,000, I guess is the minister saying . . . I guess when do you expect the word to come from the federal government as to what the allotment will be? And if it's not the 6,000, how does that impact the goals that you have set for the ministry, the goals that this government has set for the provincial government

as a whole?

Hon. Mr. Boyd: — Well as I said, we have had some communication back and forth with the federal government with respect to the numbers for some period of time. We are working and will continue to work with the federal government with respect to these numbers. I guess obviously if it comes in less than what we are hoping for, it'll be a bit of a concern — a significant concern I would say.

You know we have a very strong labour market here in Saskatchewan and — you would know this as well as I — that in virtually every area from medical professionals through to the trades to, you know, virtually every area of our economy that we see growth in, there's challenges. And that's, you know, precisely the reason why we've undertaken trade missions. That's why we have continued to have dialogue with our other provincial counterparts in this area. We have made representation to the federal government with respect to other provinces that don't meet their targets in terms of that, that perhaps there could be a reallocation process as the year proceeds to provinces that have met their needs and certainly can go beyond those needs.

So I guess I would say, I think we've presented Saskatchewan's case as best we can. We have certainly, in consultation with the immigrant communities, immigrant community representatives here in Saskatchewan, they asked us to make representation to the federal government in a number of areas, which we did. And so we will see how this all plays out here I expect very soon, following further discussions with the federal government.

Mr. McCall: — One last question, Mr. Minister, on the efforts that have been made. Again not following this incredibly closely, but it would seem to me that a fair number of other provincial jurisdictions would share the kind of concerns that you are outlining as regards the actions of the federal government. Is there a possibility to band together with other provincial jurisdictions that have this common grievance with the federal government in aid of trying to make that case even more forcefully?

Hon. Mr. Boyd: — Well interesting that you raise that. I think that at the last federal-provincial-territorial meeting in Toronto I believe it was — I'm struggling to remember where it was at, but I think it was in Toronto — virtually every province around the table was raising similar concerns. So we are not being singled out in any way here in Saskatchewan. I think all of the provinces share the concerns about their nominee programs. And you know, I suppose that's natural that one would think that your provincial nominee program is working well and you'd want to see increases and manage that accordingly. That's, I don't think, any surprise to anybody.

Some provinces of course don't have the same kind of labour market challenges on the positive side that we do, where we have a lot of jobs available for people. On the other hand, a lot of provinces are faced with people with not enough jobs to match up with. So yes, to answer your question directly, there has been a fair bit of discussion at that table about the nominee programs, the provincial nominee programs.

Mr. McCall: — Well may it move from discussion to progress, Mr. Minister.

Hon. Mr. Boyd: — I'm sorry?

Mr. McCall: — May it move from discussion to progress, Mr. Minister.

I guess some technical questions in terms of the way that, in the last year of SINP, has worked under the different categories that are eligible. How many applications were received under the skilled worker category, and how many were accepted?

Mr. Pandya: — So for 2012-13 we received 3,313 applications under the skilled worker category. And if you'll just bear with me, I'll just get you the approval rate on that. And we approved — and I'll have to give you a bit of a blended rate on this — we approved something in the neighbourhood of 60 per cent of the total number of applicants to that stream. So our approval rate factors in rejection rates, withdrawal rates, and refusal rates. So that's a bit of a blended rate on the skilled worker category.

Mr. McCall: — Thank you. If you could restate the number of applications again, please.

Mr. Pandya: — Oh actually, you'll just have to bear with me. It's a bit of a technical question you've asked, member. In fact I think I communicated to you the number of files currently in inventory as opposed to the number of files that we've received. So I'll just have to restate that, if you'll just give me a moment.

Okay. Thanks for bearing with me. So the program has some 3,313 skilled worker applications in inventory. And of those, in '12-13 we nominated 1,225.

[19:45]

Mr. McCall: — Thank you for that. How many for the inventory under entrepreneurs, and how many were accepted?

Mr. Pandya: — So under the entrepreneur category, we have some 2,345 files in inventory, of which we have accepted 168.

Mr. McCall: — Just if I might add parenthetically or ask parenthetically, that's a fairly significant drop between application and acceptance. Any comment on why that might be so, to the official or the minister?

Mr. Pandya: — Certainly. I can tell you that our entrepreneur program inventory grew at a rate of around 85 per cent over the course of the last year and a half, and it was principally driven by the closure of the Quebec entrepreneur program and the Government of Canada's entrepreneur program. So we saw a surge of some 2,000 or so files come into our system at the closure of those programs. Those programs of course were closed without notice. So when those programs close, all the files will come into programs that are still available.

We have something in the neighbourhood of a 78 per cent rejection rate in terms of a lot of those files. So some of the files we look at, just to give you a flavour of some of the files that we deal with, will actually say, you know, Quebec entrepreneur program right on them, even though they're applying into the

Saskatchewan program. So the forms haven't even been changed in some of the cases.

Mr. McCall: — So they don't pass the geography test, and they get discarded out of hand, or is . . .

Mr. Pandya: — Well it's a good question. We're required under procedural fairness guidelines to make sure that we review all applications to our programs. So we actually have to look at the application and then reject it based on, you know, reasons or criteria that are used in the program.

Mr. McCall: — I don't mean to be flippant — or maybe I do and I can't help myself — but in terms of the . . . With those rejections though, is there a dominant characteristic to the ones that were rejected?

Mr. Pandya: — Well as I said, you know, and I'm characterizing a vast number of different reasons for rejection, but the principal reason would be no intention to reside in Saskatchewan. So you can ascertain that based on the application that has the name of another jurisdiction or the name of another principal city in Canada on it. So that would be the basis of, you know, our determination relative to our own program criteria in rejecting that file.

Mr. McCall: — Okay. Thanks for that. Farm owners/operators — inventory and accepted.

Mr. Pandya: — We currently have 14 files in inventory and we've nominated eight of those files in '12-13.

Mr. McCall: — Very interesting. Health professionals?

Mr. Pandya: — We have a total of 75 files currently in inventory, and we've nominated, over the course of '12-13, 36 health professionals.

Mr. McCall: — Any thought as to why the relatively low number in terms of health professionals, considering a fairly significant health professional labour force demand?

Mr. Pandya: — Well I can tell you that we see, over the course of the last number of years, an ebb and flow in terms of health professional recruitment. Because there is a multi-stage process to recruitment, health regions will typically go out and recruit nurses, other health professionals into their system. And those workers will arrive in Saskatchewan under a temporary foreign worker permit, will go to work, will have to challenge exams before our program nominates them. So there is sometimes a delay between those workers arriving in province, challenging exams, and applying for permanent residency under the Saskatchewan immigrant nominee program. So I would suspect that that's what we're seeing here.

Mr. McCall: — Thanks. Hospitality sector pilot project?

Mr. Pandya: — In 2012-13 we had 106 applications in inventory and we nominated 159 in 2012-13.

Mr. McCall: — Okay. Long-haul truck drivers?

Mr. Pandya: — We currently have 39 files in inventory and we

have nominated 61.

Mr. McCall: — Okay. Students?

Mr. Pandya: — We have 790 students applications in inventory and we've nominated 1,551.

Mr. McCall: — Okay. Family referral?

Mr. Pandya: — We have 3,245 family member files in inventory. We've nominated 738.

Mr. McCall: — Okay. In terms of the length of time in which these files are processed, or the applications are processed and assessed, does the official have any metrics that he can offer up to the committee? And do they vary greatly between class to class, or is it simplest to ask the question in terms of each class?

Mr. Pandya: — So in fact processing times will vary across the various categories of the program. In May 1st a commitment was made to prioritization of skilled worker nominations to support continuing growth in the economy. And so on a priority basis, those files are being assessed first and will have, typically will have the fastest times.

There are of course across the range of skilled worker categories, which includes health professionals and students — master's, Ph.D. [Doctor of Philosophy] graduates, etc. — there's a variation in times just simply depending on the nature of the files. So students who have typically been in Canada, have completed a post-graduate or a graduate course of study will already have been assessed by the federal government in terms of due diligence before they've arrived into Canada as students. And so when they're applying into the program, the process is typically a little bit different, a little bit faster than it is for an out-of-country applicant through our skilled workers stream.

So to answer your question, there is a variation from, based on our quarter 4 results for '12-13, of a three-month processing time right through to 16.4-month processing times.

Mr. McCall: — Okay. How has that range changed over the years?

Mr. Pandya: — Well again, we've seen an ebb and flow in terms of processing time. It's really demand driven, so given . . . Just to go back to the entrepreneur program as an example you know given the surge of files into that program, that will start to skew processing times in that category simply because we have a significant inventory of files in that category. Our nomination cap, if you will, under that program is 250 applicants per year. And so that automatically starts to drive processing times.

We've seen processing times vary, you know — just to use another one — for physicians from 2.5 months to 2.8 months of very little variation over the course of three years. We've seen family processing times move from 8 to 16 months, again driven over the course of three different years.

So there is in fact variation. It really depends on a number of factors. I think quality of the files will be one of the key issues

but also the size of our inventory.

Mr. McCall: — Ebb and flow, notwithstanding in terms of the Quebec situation you'd outlined around entrepreneurs, is there a baseline that the ministry has? And is there continuous improvement in terms of the processing of these files, or does the official have any observations in that regard?

Mr. Pandya: — If I understand the question, when we have seen flows into our program category streams that have affected our processing ability, we have often reviewed those streams to ensure that we are doing what we can to maximize our efficiency and processing so that we can continue to offer competitive processing times across different categories.

So in the case of the entrepreneur program, we announced a third party verification of providence of funds and net worth as a precondition of application into the program as a means to kind of help address some of the quality issues that I was sharing with you regarding some of the files under that system. So that's just an example of one of the continuous improvement initiatives that we would undertake across a particular program stream, but that would be true of many different program streams.

Mr. McCall: — In terms of the processing of files aspect of this piece of government work, it would seem to recommend itself for the lean initiative. I note that you don't have any categories for lean consultants in the immigrant nominee program, but has the ministry been through any lean exercises in terms of the processing of files and the aim for improvement therein?

Mr. Pandya: — Well in fact we were maybe an early adopter of lean and won a Premier's Award for Excellence for our re-engineering of our file process. So one of the initiatives that was undertaken in terms of process efficiency — we weren't calling it lean at the time — was looking at our entire file review process to determine how we could in fact accommodate an increased number of applications under our program with the same number of FTEs, and in fact that was what allowed us to move in a very rapid way up to 4,000 nominations.

Subsequent to that initial lean project, if I could call it that, we have engaged in other efficiency projects within the program itself. So most recently we've introduced an employer engagement unit as part of the file processing. And that employer engagement unit is responsible for verification of the genuineness of the job offer and to do due diligence relative to an employer who is using our program as a stage, as a first stage of a skilled worker application in our system. So that's an innovation that didn't exist prior to 2011-12, and it has been introduced to increase our efficiency in terms of processing.

Mr. McCall: — Okay. In terms of the way that the ministry interacts with the various trade missions and the way that that can increase demand from different parts of the world, I think for example of the Irish mission, how does the ministry fall in behind that? And how does it anticipate those ebbs and flows in terms of increased demand under the Saskatchewan immigrant nominee program, and how does it deal with those? How does it fall in behind the different missions that the ministry has undertaken?

Mr. Pandya: — Well the plan for growth actually outlines a commitment that the ministry will undertake five domestic and international recruitment missions on an annual basis. And in fact for 2012-13, the ministry's undertaken two international missions to date — one to Ireland and one to Tunisia.

And in terms of the first part of your question, member, the Government of Saskatchewan does not determine what countries employers ought to be recruiting in. In fact our policy is, is that if we are approached by employers who have between 70 and 100 high-skill job offers that they've attempted to recruit in the Saskatchewan labour market, that we will consider, based on other program factors, we will consider accompanying those employers on recruitment missions overseas.

So in the case of both of those recent missions . . . Ireland, the Ireland mission was in just this March and as was the Tunisia mission. You know, in the case of the Irish mission, we were approached by 11 Saskatchewan employers who had over 85 jobs on offer, and we went back to the job fair that was attended the prior year. So in the case of this most recent mission, because all of the employers had in place labour market opinions, they had demonstrated due diligence in trying to recruit these high-skilled positions for the Saskatchewan economy. They could all bring those . . . Those employers could go to Ireland, interview workers, and then bring those workers back under the federal government's temporary foreign worker program.

Clearly these employers are interested in permanent pathways for those workers and there is in fact new federal immigration streams — the Canada experience class, the new Canada skilled trades stream — that offer pathways for those workers to transition into a permanent residency in Canada.

Mr. McCall: — Thank you for that. So again gathering from the official's comments, there's . . . the approach is enabled or better facilitated in terms of the labour market opinions being in place. That expedites the process. Is that a fair assessment of what you've just said?

Mr. Pandya: — Well it's a requirement of us engaging in an international recruitment mission with a Saskatchewan employer, that they have in fact put in place a labour market opinion. In the past we've been able to allow employers to come directly into the SINP program, but given our current inventories we're actually seeking out other methods to ensure that we can continue to respond to high-skilled labour requirements in the Saskatchewan economy, and so we're working with employers to help stream them into federal streams.

[20:00]

Mr. McCall: — Okay. Thank you for that. I guess carrying on with the SINP. When the changes were made to the family referral category of the SINP, from *The StarPhoenix*, July 31st, 2012:

On May 15, hundreds of Saskatchewan residents came to the legislature to protest the changes. Ten days later, Immigration Minister Rob Norris was shuffled out of cabinet and Bill Boyd was named new minister for the

Immigration portfolio. On June 11, Boyd said he would consult with stakeholders in a “review of the changes” to look for “middle ground.”

“We’re still working very closely with the immigrant communities to try and see if we can come up with a solution to this,” Boyd said . . .

Is that search for the middle ground still under way or has that been given up?

Hon. Mr. Boyd: — Well I would say that we continue to work with the immigrant communities in Saskatchewan to provide the greatest level of fairness that we possibly can. We have sat down with them on a couple, at least, occasions in the building here to have discussions about it. They put forward a number of thoughts and recommendations that they had to the provincial government. In turn they asked us to make representation to the federal government with respect to those thoughts and concerns, of which we did. The federal government then, in terms of some of them, you know, simply declined.

So I think that we will always try and represent the people of Saskatchewan the best we possibly can to the federal government, but ultimately in some of these situations the federal government makes the determination as to what is going to be acceptable. We have tried, I believe, to represent that middle ground that the immigrant communities wanted us to, to the federal government. But as I say, the ultimate determination of that is made by the federal government.

And I think that that’s something that the immigrant communities may not have understood initially but I think they do now, that there was I think a fair bit of public conjecture at the time that somehow or another the province would be the final determinant with respect to that. Now I think that was fostered by a number of folks, which I think was inaccurate. But now I think the immigrant communities understand and realize that the federal government is the final determinant in those areas.

Mr. McCall: — So what were those concerns that the immigrant community brought forward to the minister? And which of those did the minister communicate to the federal government?

Hon. Mr. Boyd: — Well just working from memory, and it’s awhile ago now, I would say one of them was in the area of grandfathering their applications was certainly I think one of the most significant concerns that they brought forward. The changes were made. There were people that felt that those changes were . . . there sort of was an arbitrary cut-off. It was felt that people that were in the system should be grandfathered or people who had immigrated to Saskatchewan should be sort of a blanket grandfathering provision within there.

This is, you know, an important area, I would say. We had I think a fair bit of discussion with the community representatives around this point, that it’s not unusual for governments of all political stripes to bring in deadlines or arbitrary cut-off dates. However, that being said, we certainly believe that people who were in the process, who actually were working in the process, there should be some degree of latitude with respect to that.

And we made that point to them, and we’re continuing to do that today to this point, trying to work our way through those types of discussions.

In fact we had, myself, had discussions with the Provincial Ombudsman with respect to this area as well to, you know, address some of those types of concerns. And I think it was an important point that I think was made, that the Ombudsman I think was in agreement with us that if a person has actually made some steps towards an application, that there should be some way of addressing that. We think that that’s a fair and a valid point. However if the only thing that has taken place is someone was thinking about it or saying that, you know, had I known, I might have made some change or I would have made application, that’s a little bit different, I guess I would say. You know, it’s kind of would have, could have, should have, that sort of thing.

And I guess there has to be a . . . When the federal government makes these types of changes, we don’t have a lot of room to manoeuvre. However people are actually in the process, we think there should be some recognition. And we’re trying to do that.

Mr. McCall: — Okay. I take the minister’s point about where people are at in the process. And certainly it’s my understanding that there were people who purchased homes, sold businesses, made a number of pretty significant life choices based on the program as it was constituted, only to have that change after they’d made these undertakings.

So just to be very clear, is the minister saying that those kind of provisions or those kind of grounds for grandfathering are still under active consideration by the federal government? And if so, how does that get made right these many months after the decision was announced?

Hon. Mr. Boyd: — As I said, the federal government is the final determinant in this area, and regardless of our representations, the federal government said no in some of the cases that you reference. However, the discussions that we have had with the Ombudsman since then, we have indicated that we still believe that there is, that they have made their intentions known in a fashion that we think is acceptable. So we will continue to make those representations to the federal government with respect to that.

Mr. McCall: — When does the minister expect to get, having said no, when does the minister expect to get a change in that answer from the federal government?

Hon. Mr. Boyd: — There’s no time frame for that. We have on every occasion that we speak with Minister Kenney raised that issue. The answer still remains the same that they’re not interested in making that change, but we still think it is important. I do believe though at some point the Ombudsman is going to probably report in some of these areas and that I hope or would expect would put additional pressure on the federal government in this area.

Mr. McCall: — Well I guess we’d share that hope with the minister. Shifting gears a bit to the question of temporary foreign workers, and minister and officials have touched on this

a bit, but could you discuss a bit more completely the role of the province when it comes to the attraction and the assignment of temporary foreign workers and making sure that their working conditions, conditions of employment are being lived up to.

Mr. Pandya: — To answer the first part of your question, the temporary foreign worker program is a Government of Canada program operated by HRSDC, Human Resources and Skills Development Canada, and Service Canada, and then underwritten by Citizenship and Immigration Canada would issue the work permit, if you will, to the foreign worker.

And so the Government of Saskatchewan has no role in that program but there are in fact some 9,300 or so temporary foreign workers who are in Saskatchewan currently. And we put in place a program integrity unit in 2008 to act as a unit that could work with temporary foreign workers in province who were having issues, whether they were immigration issues or any kind of issues, and they could contact that unit and be assisted. So that unit has now since worked with our colleagues in labour standards and occupational health and safety to ensure that there is in fact fact sheets translated into the six . . . There's actually 23 different languages but we've currently managed to translate into six of the principal languages of newcomers coming to the province of Saskatchewan, information on labour standards and occupational health and safety, rights and responsibilities as an employee in the province. And we try to share that through our immigration gateways but also through employer sessions so that we're educating employers on what they can and can't do. And also we're working with newcomers to share that information.

Mr. McCall: — What kind of contact rate is there from 2008 when the integrity unit was founded? Moving forward, what kind of volume of calls, what kind of volume of contact, what's made with the unit?

Mr. Pandya: — Well I can give you a year-by-year caseload in terms of the program integrity unit but, you know, the caseload is cases that we're actively working to review versus contacts that have been made. Since the establishment of the immigration gateways those have become, because they were set up as first points of contact for information referral, pathways for newcomers have become kind of the first point of contact in terms of newcomers' questions regarding labour standards, occupational health and safety, or other issues that they may have. But in terms of program integrity cases that are currently under way, I can, if the member would like, I can give you on a yearly basis the number of cases. Would that be . . .

So in 2010-11, so this is the first year after the . . . the earliest data I have here. I can get you other data if you like. We had 100 cases brought forward to the program integrity unit. In 2011-12 we had 119 cases brought forward. In 2012-13 we've had 47 cases brought forward. And those are across a range of different issues, from immigration issues through to issues around inadmissibility, health issues, third party representative issues as well.

Mr. McCall: — Okay. Third party representative issues, certainly there's legislation under consideration. What percentage of the caseload would those kind of concerns represent?

Mr. Pandya: — Well in fact I think when we've introduced or spoken to the pending legislation, we've talked about a portion of the entire program integrity caseload that lies outside of any existing federal or provincial legislative framework in terms of redress of those issues.

In terms of third party, because not all third party representative issues would fall outside of our framework, I can give you the raw numbers of case complaints, if you will, or issues that are under review under that. So we have over 57 case complaints for third party representative reviews currently through our program integrity unit.

Mr. McCall: — And so those date back in the last year or over a number of years or what would be the origin of those?

Mr. Pandya: — That's over the course of the last three years those third party representative reviews have been initiated.

Mr. McCall: — Okay, thank you. I guess in terms of the whole question of temporary foreign workers — Minister, officials, I have a presumptive answer for this — but do you see the number of temporary foreign workers increasing in the province? Decreasing? Where do you see that going?

Hon. Mr. Boyd: — Well a little bit hard to say, I guess. It's a possibility we could see that increase, given the types of projects that might come forward in the future here in Saskatchewan.

And I'll use as an example, if we were to see another nitrogen fertilizer facility built in Saskatchewan, there's a very significant, or I should say a very certain type of individual that would be looked for, a certain skill set that the companies would be looking for. If they can find that skill set here in Saskatchewan, I'm sure they'll be hiring them. If they can't find that skill set, that they'll probably be looking for temporary foreign workers in that area. Not to, you know, go too far down this, but in speaking with a company that's looking at that very opportunity here in Saskatchewan, they indicate to us that there's only a handful of companies worldwide that have the expertise to build these types of facilities, and as a result of that there may be a need in the area of temporary foreign workers.

[20:15]

Mr. McCall: — In terms of other — and thank the minister for the response — in terms of other . . . Moving back into the situation at present with temporary foreign workers, are there any other projects, large-scale projects under way similar to what the minister describes right now where temporary foreign workers are a large component of the workforce?

Hon. Mr. Boyd: — There are some, as we have indicated, 9,300-odd temporary foreign workers in Saskatchewan. We don't, other than conversations that we've had with some of the employers like the one I just related, we don't on an individual basis track exactly where they're at. They make application, you know, based on whatever the need is.

So I guess I would just say that I wouldn't be the least bit surprised that in some of the expansions that we're seeing in the potash industry, there's a probably of number of folks involved

there. Again, if memory serves me, I think the upgrader, the Co-op upgrader, I believe there is a component of temporary foreign workers there as well. I spoke recently to the Saskatchewan Construction Association and I think they refer to them as travellers, if memory serves me, with respect to the type of people. And there's a fairly significant component of that in Saskatchewan at this time.

Mr. McCall: — I thank the minister for the response. I guess it builds on an earlier question, but just to make sure I get it on the record, Minister, officials, is there a level of confidence in the protections that are there right now for temporary foreign workers that can be some of the most vulnerable workers in our labour force?

Hon. Mr. Boyd: — Well that's precisely the reason we've brought forward the legislation. We want to ensure that Saskatchewan is a welcoming province for people coming to our province to work, either to immigrate or temporary foreign workers. In some cases, and I expect in many, many cases, it's a fairly intimidating process to pick up and leave your home, wherever it is around the world, and relocate to a place where there is much different perhaps culture, much different work relations, much different atmosphere in many, many ways that we can all probably imagine. So in order to ensure that we have, as I say, a very good, welcoming province, we want to ensure that there are protections put in place to make sure that people aren't taken advantage of under those circumstances.

Mr. McCall: — I thank the Minister for the response. And again in terms of notifications or information being translated into the six languages the official had referenced, what other steps are being taken by the ministry to apprise temporary foreign workers of their . . . what venues are available to them to make sure that they're not being poorly treated.

Mr. Pandya: — Well as I said, the federal government operates the temporary foreign worker program, so we would have no information on when a temporary foreign worker arrives. So it's only passively that we can market or direct target, if you will, a temporary foreign worker in terms of sharing information. What we are trying to do outside of the legislative approach, which will require all employers who are using any immigration program, whether it's federal or provincial, to register, to go through a registration process, will allow us to then know exactly where those workers are and directly provide direct education around rights, responsibilities, and so forth, and avenues of redress.

But in the meantime, what we have been able to do is work with our immigration gateways to connect with newcomers arriving in the province, whether they're through our permanent program or through the temporary foreign worker program, to ensure that they can get access to that information in terms of orientation to the labour market.

We're also working with the Government of Canada to deliver orientation packages overseas. Before either temporary foreign workers or permanent residents come into the country, they're receiving a presentation on Saskatchewan — on labour standards, occupational health and safety, climate, social customs, that kind of thing — through our partnership with our federal colleagues. So we're trying to, currently we're trying to

market prior to those individuals arriving in country. And then if they're in country, in Canada, in Saskatchewan, then we're working with our gateways to try to connect with them.

Of course if there is complaints made, you know, in terms of employment, labour standards, that is in fact covered under existing legislative instruments. And there is in fact an investigative protocol associated to both labour standards, occupational health and safety. If it's an immigration issue, then the ministry would investigate that, the immigration issue in terms of our responsibility.

But if we're made aware of broader issues, then we'll bring in other agencies as required. So in some cases it could be a labour standards or occupational health and safety issue and we'll make a referral into that ministry. In some cases it could include connecting with Canadian Border Services Agency or the RCMP [Royal Canadian Mounted Police] or other agencies to provide assistance as necessary.

Mr. McCall: — I thank the official for that response. Just a question I'd like to get some clarity on from the minister or officials as regards the two international students that are currently taking sanctuary in a church here in Regina. And I appreciate that the Minister of Justice is raising this with his colleagues tomorrow at a federal-provincial-territorial meeting, but it's been raised with me that there may be a way for Saskatchewan to intervene specifically with Minister Kenney on the immigration changes that were being proposed for international students at the end of last year, specifically some kind of grandfathering of the changes that are being proposed that will allow for some part-time work to be undertaken by international students when they are in country.

Has the minister or officials had opportunity to make representation on this case to the federal government, and specifically have they been able to address any of these kind of possibilities with Minister Kenney and Citizenship and Immigration federally?

Hon. Mr. Boyd: — I would say that at the time of the public discussion that there was a number of months ago, we made representation to the federal government at that point in time. It is still something that is of concern to us. We felt that these students had a very good case. However the federal government again said no with respect to that.

So we will undertake to get an update on the information and provide it to the member. As indicated, the Minister of Justice will I understand have an opportunity, I believe it's tomorrow, to meet with the federal minister. He'll be asking with respect to this, but through our channels, we'll make a similar request for an update.

Mr. McCall: — I thank the minister for the response and look forward to the further detail.

Moving on from immigration generally, Mr. Minister, but staying with labour market development for now. Returning to the top of the allocations that are made under subvote (EC13), could the minister or officials characterize what is entailed in the expenditure operational support?

Mr. Pandya: — Thank you for the question. So operational support would cover off FTE costs associated with FTEs within the labour market division of the Ministry of the Economy. The estimate for 2013-14 is 16,878, and the variance is less 30,000. This is as a result of 285,000 in salary inflation that was ascribed to the Treasury Board process, including some 66,000 for an FTE that was transferred from the former Enterprise Saskatchewan into the labour market division of the Ministry of the Economy, offset by a \$381,000 reduction due to workforce adjustment for the six FTEs that are ascribed as part of the workforce adjustment target for the Ministry of the Economy '13-14.

Mr. McCall: — Thank you. Just very clearly, how many FTEs are attached to the operational support this year? How many for last year?

Mr. Pandya: — Coming into the Ministry of the Economy in '12-13, there were 229 FTEs ascribed with a workforce adjustment target of 6 FTEs. There will be 223 FTEs within the labour market development division.

Mr. McCall: — Thank you for that. Work readiness — youth and adult skills training, if the minister or officials could describe that expenditure and what is entailed therein?

Mr. Pandya: — The work readiness — youth and adult skills training line supports programming that is provided through the skills training allocation to the regional colleges. It's the training envelope of programming delivered through the regional colleges.

It also includes program funding for our northern skills training initiatives and other demand-led training initiatives. The variance in that vote is, for the 2013-14 estimate, is 21.357 million, and that includes a top-up of some \$500,000 that was provided to . . . Some \$350,000 of that was provided to the regional colleges as a top-up to the skills training allocation. And 150,000 of that was provided to Saskatchewan Indian Institute of Technologies for an increase to the aircraft maintenance engineer training program, and this will allow them to take in an annual intake under that program and bring total funding under that program up to 500,000.

Mr. McCall: — In terms of the . . . How many youth and adults would be provided with skills training under this allocation?

Mr. Pandya: — Under this allocation there's 4,485 opportunities that are created, if that's your question.

Mr. McCall: — Are those fully subscribed?

Mr. Pandya: — Well that would be, the number I share with you would be the estimate of the '13-14 uptake. And it's driven by, it depends on program volume. So if in fact a regional college puts on a class, there's 10 opportunities, nine people show up, then there's a variance. The college has tried to, you know, see that all of their course offerings are fully subscribed. In some cases they're not, so this number would vary.

Mr. McCall: — Just by way of context, what was the variance last year in terms of opportunities offered and subscription?

Mr. Pandya: — I'll have to actually get you that specific number. I don't have that at hand.

Mr. McCall: — Okay.

Mr. Pandya: — If I could answer the question, so you know the vote, because it's only increased by some \$500,000 and 100 opportunities, the variance would be less than 100 in terms of last year's total opportunities created.

Mr. McCall: — Okay. I guess if you could describe as well those training opportunities that are bought, if you could describe for the record what those 4,080 opportunities . . . is there a particular set of trades they involved? You'd referenced SIIT's [Saskatchewan Indian Institute of Technology] aircraft maintenance program, but if you could, just for the record, provide us with a characterization of what kind of training opportunities are being provided there.

[20:30]

Mr. Pandya: — Certainly. As I said, there's a range of skills training envelopes that are demand driven that are funded under this particular envelope of funding. There is the Regina and Saskatoon Trades and Skills Centres that are funded from this particular allocation, early childhood education training that is linked to the Ministry of Education's allocation of seats. So wherever there's increased seats we'll deploy increased early childhood education training. There's a program called the workforce essential skills program that is also delivered through this funding, and that is funding that's put in place to ensure that workers are getting workplace essential skills. Foundational skills training are connected to a work experience. The funding there is primarily provided to First Nations.

There is, as I said, the skills training allocation which is the training envelope for the regional colleges. SIAST [Saskatchewan Institute of Applied Science and Technology] has a portion of that skills training envelope, as well as DTI [Dumont Technical Institute] and Lakeland College for programs such as licensed practical nursing or any sort of industry required skills or quick skills training.

There's the northern skills training allocation, which provides funding to Northlands College for industry partners and First Nations organizations working on First Nations/Métis employability. So that fund is subscribed. Organizations would apply through Northlands College through a proposal process or a request for proposal process to trigger funding. There's five components under that northern skills training piece that include things like the multi-party training plan, the northern apprenticeship committee that are also funded, northern training plan, northern health human resource sector.

And there's some \$300,000 of that funding that's also provided for labour market supports that's primarily focused on labour market information, and is work that's undertaken through our policy area, and some 900,000 for the older workers initiative, the federal government's older worker initiative, which is programming to reconnect older workers back into the economy.

Mr. McCall: — Just to move back a bit through the endeavours

the officials outlined. In terms of the workplace essential skills training as relates to First Nations, can the minister or officials describe how that is deployed through the province?

Mr. Pandya: — Thank you for the question. So I can maybe provide you with the detail of the partners for 2012 that received WESS [workplace essential skills Saskatchewan] funding. The Carlton Trail Regional College received some \$134,993.18 under the WESS program for two programs. One is a residential renovation and construction initiative with Kawacatoose, and another is with Muskowekwan. Credenda Virtual High School Inc. received some \$66,649 for 11 opportunities in an essential skills program with the James Smith Cree Nation.

Great Plains College received \$104,597.68 for two projects. One with Nekanee First Nation for 21 opportunities — and actually the opportunities are spread across two First Nations — and the Whitecap Dakota First Nation. Lac la Ronge Indian Band received some \$200,699.87 for 42 opportunities for career exploration, essential skills programming.

Newsask Community Futures Development Corporation received some \$58,532 for essential skills programming at the Red Earth Cree Nation. That was for 20 opportunities. North Central Community Association received \$67,500 for transition to trades which is a WESS initiative that you'd be familiar with. Regina and District Food Bank Inc. received \$64,800.90 for ACERT [Adult Centre for Employment Readiness and Training] essential skills program.

Southeast Regional College received some \$67,500 for 19 opportunities for a cooking and hospitality training program at Carry The Kettle. Vecima Networks received some \$52,652.23 for 92 opportunities which are focused on literacy and workplace essential skills. Ventures Community Futures Development Corporation has received some \$53,127 for 21 opportunities at Key First Nation for retail sales and associate supervisor programs. So the total under the WESS initiative was some \$871,051.86 for 254 opportunities in '12-13.

Mr. McCall: — What kind of information does the ministry have in terms of individuals accessing those opportunities and then connecting to employment?

Mr. Pandya: — So, Member, the completion rates in terms of the WESS program, in terms of employability and further training are very high, but I'll need to get that number back to you if that would be okay.

Mr. McCall: — Okay. And then in terms of moving from completion of the program to actual employment, what sort of data does the ministry have in that regard?

Mr. Pandya: — So we'd have a complete data set on performance in the program. I just don't happen to have the WESS initiative with me. I can give you a comparator. So the essential skills for the workplace program, which is very similar to the WESS initiative, has a 74 per cent completion rate. Of that program, the majority of completers are moving on to employment versus further training, which is, given the nature of the program which is aligned with an employment opportunity, would make some good sense. So in terms of

performance, I think you'd see something very similar in terms of the WESS program, but I can get you those exact numbers.

Mr. McCall: — Well if the minister and officials would undertake to do that, it'd be much appreciated, and thank you for the answer.

In terms of the allocation of these opportunities, is there a request for proposal that goes out? How is that decided across the province?

Mr. Pandya: — So in 2012-13 there was a request for proposals process that was initiated by the ministry and regional colleges, and other partners could submit proposals that were then adjudicated and funded. For '13-14 there is some work within the ministry on . . . going to think about how to better deploy those dollars directly into First Nations and Métis employability initiatives. And so the RFP [request for proposal] process is not nailed down in terms of a way forward on that initiative.

We have something called talent teams that have been deployed through our current employment services centres through our labour market services branch of the ministry, and those talent teams are working with employers in their various regions to determine the needs of employers and how to better align our existing programming with the demands of employers within those regions. And our thought is that where we can deploy those funds to better connect people in training, First Nations, Métis people in training to those employment opportunities in a more direct fashion, would be an innovation in terms of program design. And so that's what we're currently working on in that front.

Mr. McCall: — When can we expect that redesign to be out and about?

Mr. Pandya: — So we're currently engaged in discussions with various First Nations on program concepts. We're in the process of fleshing out whether the most appropriate route would be to go for a call for proposals because you could still do a request for proposals process under a new, you know, a more demand driven program if you will. And so we're just in . . . I don't anticipate that this will take long. Typically the program cycle for WESS and many of our programs mirrors the academic year, June to June, and so we hope to be up and running within the next month or so.

Mr. McCall: — Okay. Those consultations, are they taking place with the FSIN [Federation of Saskatchewan Indian Nations] or with tribal councils or individual First Nations? Who is at the table for that and how is that determined?

Mr. Pandya: — So these would be discussions with individual First Nations, tribal councils that are interested in working on employability initiatives directly with the Ministry of the Economy and with employers who have expressed a need in terms of a workforce within a region where we know that, you know, that we could better link individuals who may be on- or off-reserve and Métis individuals to some of those training opportunities. So they're individual discussions that are occurring with employers and, as I say, First Nations and/or tribal councils that are interested in those discussions.

Mr. McCall: — But it's on a self selecting basis essentially for First Nations coming to the table?

Mr. Pandya: — Member, thank you again for the question. So the specific engagement is occurring with tribal councils that are signatories to the Active Measures MOU [memorandum of understanding] that was signed in March of 2011. And so there's currently six tribal councils that we're actively working with: File Hills Qu'Appelle Tribal Council, Meadow Lake Tribal Council, Saskatoon Tribal Council, Yorkton Tribal Council, and the Battlefords has also indicated very recently that they're interested. Agency Chiefs Tribal Council is also included in the number of tribal councils that have signed on to the Active Measures MOU. And so we're in an active discussion with those tribal councils on how to better again connect opportunities to employment that exist within the regions.

There's a sector alignment that also occurs, so if we're approached for example in terms of a mining program, we'll contact the closest tribal council to that mining initiative to ensure that we can engage in a dialogue with that tribal council on how to connect to the program. So wherever there is an employment opportunity and an employer's looking for an opportunity, we'll connect to the closest First Nation that we can find in terms of discussion on this initiative.

Mr. McCall: — So the official earlier had referenced Muskowekwan, and there's of course a potash mining opportunity coming down the line. There's also in the Touchwood Tribal Council territory what's happening at Jansen. Again, do you have to be signatory to the Active Measures MOU or is the door open for additional First Nations to come forward or tribal councils or entities?

Mr. Pandya: — Thank you again for the question. So the commitment under the MOU with the Government of Canada and the tribal councils that were signatories to the active measures MOU was to work with the Government of Canada and those tribal councils in terms of connecting their membership to employment opportunities, but we are clearly open to discussion with any tribal council on this front. As I indicated earlier, there are other tribal councils that didn't sign on initially that are now expressing interest, and we've already started those conversations. Battlefords Tribal Council is a case in point. So they recently contacted us and we've said we're very happy to have a discussion on connecting these initiatives.

Mr. McCall: — And not to belabour the point, but independent First Nations, I think of Onion Lake or Cowessess, to cite one that would be of great interest to the Speaker, independent First Nations are free to come forward as well.

Mr. Pandya: — Yes, they are.

Mr. McCall: — Okay. Thank you for that. In terms of . . . Is there anything else that the official would like to say about the allocation of youth, adult skills training at this time? And I guess the main thing I'm driving at, and we'd talked about this a bit at the start, but in terms of certain of the organizations that the official has referenced, I think of the Trades and Skills Centre here in Regina. Tremendous program. It does great work lining up that potential labour force with labour market need.

And as I understand it, there is a lot of interest from the industry and there are a lot of people that would be interested in coming in to get those skills to take those jobs.

Is the minister or officials, to use in the Trades and Skills Centre here in Regina as one example, Minister and officials, are you confident that the offerings are equal to the demand? Or is there not in fact greater demand that would be served if the capacity was increased at organizations, to use the Trades and Skills Centre as one example, or Transition to Trades is another? Not to make it an all or central sort of roundup, but is the capacity there that is . . . where the offerings are equal to the demand?

[20:45]

Mr. Pandya: — So if I could answer that question generally because there's a number of envelopes that are providing training programming, including adult basic education, the employment development envelope, the Apprenticeship and Trade Certification Commission envelope, the employment assistance for persons with a disability envelope. So in total, the Ministry of the Economy through this budget is going to invest almost \$102 million to create over 36,000 skills training opportunities in the province. And so that's an increase in this budget alone of some 1,200 training opportunities, the majority of which will be targeted at First Nations and Métis people. So there has been an increase year over year in the number of training opportunities that have been funded through, well this year through the Ministry of Economy, but in the past through the Ministry of Advanced Education, Employment and Immigration.

Mr. McCall: — Okay. I'd asked the question in a different way, and I appreciate what the official is saying in terms of increased support, but is it there yet where the supply is equal to the demand and what that means in terms of people upscaling, being able to take better jobs, make our economy more productive?

Mr. Pandya: — Member, I hope this answers your question, but the model through the skills and trades centres in Regina and Saskatoon is an employer-driven model. So if an employer is looking for, just as an example, roofers, they would say, we're prepared to hire five roofers. Can you get five roofers through a pre-employment, you know, a construction class so that they could actually be deployed to my work site? A group of employers in fact just recently, the skills and trades centre just took through an intake for roofers that had multiple employers who are looking to hire those students. So it's a demand-driven program intake.

So it's based on there being a real job at the end of the training opportunity. So employers agree in advance to try out any of the workers that they're asking for. And so they'll go, you know, if I want five roofers, just as an example, I would say to the Trades and Skills Centre, I need five spots. They'd find five individuals. Once those five individuals have graduated their program offering, they would then be deployed to my work site. I would agree to take them on to give them a work experience, and based on how they worked out, you know, offer permanent employment to that individual. So I'm not sure if that answers your question but I think that that's what your question was.

Mr. McCall: — I guess it doesn't. I had the privilege of actually visiting with the roofing class that the official's talking about. And I guess the point I'm trying or the . . . What I'm trying to assess here is whether or not the opportunities are there to make sure that people that want to get those skills to get the better jobs in the economy have every opportunity to do that, and I'm not 100 per cent certain that's the case as regards something like the skills trade centre. But perhaps the minister's got something to add in that regard.

Hon. Mr. Boyd: — I guess I would say there's always probably room for improvement. Difficult to determine whether we're meeting the total demand that's out there. In this area we have committed over \$101 million for 36,000 training opportunities. This is the increase of 1,200 new opportunities and contributes to a 24 per cent increase in training opportunities since 2007-2008.

I would say in a growing and expanding, rapidly expanding economy in Saskatchewan, it's a little bit difficult to determine whether we are — because there's so many opportunities out there — whether we're meeting the entire need that there is. Employers are on a regular basis saying to us, we need people to fill the jobs that we have. So that's precisely the reason why we're increasing the training seats as quickly as budgets will allow. And we will continue to do that driving forward.

Mr. McCall: — Well I thank the minister for that answer. I guess the next question will move into the next line item, but in some ways this illustrates my concern. And I'll say off the top that in the growth documents put forward by this government last fall, there was a goal stated desiring the elimination of the waiting list around adult basic education. And unless you're missing my gist here, Mr. Minister, I think that's a great goal. I think that's a totally laudable effort on the part of this government.

And I guess the concern, I guess it gives me a number of questions though in terms of what are the steps being taken to achieve that goal. And it . . . [inaudible] . . . wasn't set out for this year's budget, it was set out for the end of the term. Fair enough. But in terms of what that adult basic education means for people to be able to get better jobs and make a better life for themselves and their families, it's absolutely crucial.

So I guess my first question in that regard is, what is the current complement of adult basic education opportunities being supported by this line item, and what is the waiting list? And then a third question on that sequence: what is the plan to eliminate that waiting list as set out in the growth document?

Hon. Mr. Boyd: — I guess I would say at the outset, we are always trying to improve upon the completion rates in the adult basic education program, and as a result of that we are increasing budgets at a higher rate than we are in other areas of our budget. This work readiness, basic education type programs increase by \$1.5 million, or 7 per cent.

There are 7,880 basic education opportunities that we provide for in the province right now. The wait-list is 2,175, so we still have a ways to go with respect to this. However to answer your question directly, are we making some progress here? I think the answer is yes. We now see in 2006 the completion rate in

that program was about 50 per cent. It's moved up now; the most recent information is 64 per cent. And we think we can improve upon that by at least another 10 per cent here in the upcoming time frames that are before us.

So I guess I would say there's always room for improvement but we have, I think we're making some progress with respect to this file.

Mr. McCall: — I guess a concern I have, Mr. Minister, is again we don't have the precise detail from SIAST in terms of their adult basic education offering, but as of the 6 o'clock news tonight, in terms of making up their budgetary shortfall, one of the programs that is impacted is adult basic education. And again I await the precise detail of how that works, but it would seem to me that in terms of one of the fundamental institutions that is there to do this work of adult basic education, grappling with their own budget situation, one of the things that's impacted is adult basic education. Like I guess, how does that work, Mr. Minister?

Hon. Mr. Boyd: — Well I guess I would say this, that this is not something that is an unusual phenomenon. This is something that governments in Saskatchewan have grappled with for a long time. As I said, back in 2006 under the previous administration, completion rates were about 50 per cent. We've improved upon that today to where we're at 64 per cent. Our goal is to take that much higher than we are currently at.

We have 7,880 basic education opportunities in Saskatchewan. We still have a backlog, and we certainly understand that. But if you look at the completion rates and the number of education opportunities that are available in this program and the increase in the budgets for these areas, I would say that I think we are making some progress.

This is still an area that will continue to be and is a work-in-progress with respect to First Nations and Métis employment here in Saskatchewan. This is an area where we see challenges, no question about it, but we are making progress. I think that the fact that we are increasing budgets like we are by approximately double what the budget's overall lift in the budget is, I think is an indication that the government, that our government believes that this is a priority area for our administration.

Mr. McCall: — So the 7,880 figure, is that an increase from last year in terms of the number of spaces being provided in this budget? And if so, what's the amount?

Hon. Mr. Boyd: — It's an increase of 1.5 million and 300 spaces.

Mr. McCall: — Could the minister repeat that, please.

Hon. Mr. Boyd: — It's an increase in budget of \$1.5 million and over 300 additional basic education opportunities.

Mr. McCall: — Okay, thank you. So again, in terms of the ramping up to meet the goal of how these, how the wait-list of 2,175 is eliminated, is the minister confident that at this rate that goal will be achieved by end of term for this government?

Hon. Mr. Boyd: — We are working with the colleges to first of all make sure that that 2,175 information is indeed correct. We are working with them to determine whether there's any overlaps within those numbers that would reduce that. I would say though that our commitment in the budget process and the growth statements are around eliminating this wait-list in the term of this administration.

I guess I would just say that our administration has a very good track record in keeping the promises that we have made to the people of Saskatchewan with respect to a whole host of areas. So I'm hopeful, optimistic and, I think, based on our performance in the past, confident that we will be able to achieve that goal.

Mr. McCall: — Is the minister aware that the funding situation at SIAST, one of the consequences of that was impact on the adult basic education offerings of SIAST?

Hon. Mr. Boyd: — It's my understanding though that while there were, while we're asking all third parties to try and find efficiencies and reduce costs, no impact will be felt in terms of the actual programming in that area.

Mr. McCall: — So there won't be any impact to adult basic education as offered by SIAST.

Hon. Mr. Boyd: — That's my understanding.

Mr. McCall: — I hope the minister's understanding is rock solid.

Hon. Mr. Boyd: — That, to the best of knowledge, that's the information I was provided with today.

[21:00]

Mr. McCall: — I thank the minister for that. In terms of the deployment of the adult basic education spaces throughout the province, can the minister or officials give some indication how that is . . . what the current state of affairs is there?

Hon. Mr. Boyd: — There are four areas that the funding is broken down into: \$500,000 to the Saskatchewan Indian Institute of Technologies, which will represent 100 spots; \$100,000 to Dumont Technical Institute for 80 spots . . . I'm going to back up here a moment. I think we've got this in the wrong order here: \$400,000 to Saskatchewan Institute of Applied Science and Technology, that was for 80; 20 spaces for \$100,000 to the Dumont Technical Institute; and \$500,000 for on-reserve programs delivered by regional college and Lakeland College for 100 spots.

Mr. McCall: — What's the total on that number?

Hon. Mr. Boyd: — 100, 80, 20.

Mr. McCall: — There we go. Okay, I thank the minister for the response. Moving on through the list, work readiness and employment development, could the minister or officials characterize that expenditure? There's an increase therein.

Mr. Pandya: — Thank you, member, for the question. So the

work readiness — employment development expenditure in estimates for 2013-14 represents an increase of 1.6 million, which is a 6.9 per cent increase. The budget provides for 1.5 million and 510 opportunities this year for skill building for First Nations and Métis people. It's a 10.7 per cent increase over the 2012-13.

More specifically, 700,000 has been identified as part of the 1.5 million increase; 700,000 has been identified to support 300 northern mining opportunities with the northern career quest initiative, which is an industry and Government of Canada partnership, a First Nations partnership; 200,000 has been identified to support an increase of 90 opportunities in the inroads to agriculture initiative, which provides training in the agricultural sector; and some 600,000 is earmarked for provincial contributions on active measures partnerships still in final stages of approval. There's an estimated 120 opportunities ascribed to that.

Mr. McCall: — I thank the official for the answer. Apprenticeship and Trade Certification Commission, again good to see the increase there. Any further comment from the minister or officials as to that expenditure and what the new dollars will address?

Hon. Mr. Boyd: — A \$1.5 million increase, 7.8 per cent, this budget follows on a commitment made by Saskatchewan's plan for growth with \$1.544 million and 300 opportunities to increase Saskatchewan Apprenticeship and Trade Certification Commission; \$650,000 for prior years collective agreement costs associated with the change in the Western Canadian average; \$550,000, or 200 training opportunities, added in 2012-13; and \$344,000 for 100 additional training opportunities to meet the plan for growth commitment.

Mr. McCall: — I thank the minister for the answer. Moving along, employability assistance for people with disabilities, again a slight increase there. Could the minister or officials talk about what's anticipated for the year ahead for this expenditure and this program.

Mr. Pandya: — The 2013-14 estimate includes an increase of some \$33,000 to the EAPD [employability assistance for people with disabilities] program, employability assistance for persons with disabilities initiative. And that is as a result of inflationary increases for CBOs [community-based organizations] that are based on the CBO inventory that the ministry has in place in the fall of 2012.

The total budget in this area for 2013-14 will be 11.029 million and that will represent some 2,630 opportunities that will assist adults with disabilities in building employability skills and addressing the impact of disability on training and employment and funding disability-related supports through post-secondary education.

Mr. McCall: — I thank the official for the response. Provincial training allowance, if the minister or officials could characterize that expenditure.

Hon. Mr. Boyd: — The provincial training allowance budget increase of \$900,000 this year, the budget provided this amount for the annualized energy and living allowance to match the

Ministry of Social Services 2011-12 increases to the shelter rates in the social assistance program and transitional employment allowance. The proposed provincial training allowance rate increase is based on the average percentage increase in the SAP [Saskatchewan assistance plan] and TEA [transitional employment allowance] shelter rates.

Mr. McCall: — Does the minister or officials have any sort of feedback from those on the allowance that have, are of course trying to get their training sorted out? As regards other pressures, I had the opportunity to sit with an adult basic ed class not too long ago wherein the first thing they wanted to talk about was housing. And there was one woman who has been couch surfing for, by her account, the past three years. There was another individual that's part of a family that's living with another family in some pretty straitened circumstances.

And again, I guess in terms of people that are trying to get that training, trying to get their feet under them to move forward in this economy and make that bigger contribution for themselves, their family, and for the whole province, is there much that comes back to the ministry in way of feedback around adequacy of the allowance for those on it and additional pressures as regards housing?

Mr. Pandya: — Thanks for the question, member. So the provincial training allowance was designed . . . And the reason for the increases that have occurred through this budget are to ensure that the rates are indexed to SAP and TEA programs, which are income support programs run by the Ministry of Social Services. So the increases that this increased funding will support will ensure that the incentive effects remain to draw people off of social assistance and/or TEA into the provincial training allowance. In terms of shelter rates, those are examined based on changes to the average market rent. So SAP is indexed to shelter rates in the market, as is the provincial training allowance.

Mr. McCall: — Can the minister or officials talk about what the differential is at present between basic social assistance and the provincial training allowance, in terms of that incentive that is there to draw people into training?

Mr. Pandya: — Thanks again for the question. It's not an easy question to answer because we're talking about different family sizes and different communities across the province. I can give you an example of the increases that were supported through this funding, to give you a sense of just the difference in the monthly living allowance rate in '13-14 versus the previous year's rate, which should give you kind of a proxy sense of the difference, if you will.

So for a single parent this increase would increase funding by \$35 in terms of the monthly living allowance rate for that individual. Now there is in fact a provision made for the number of children that that single parent would have. And so for each child there is both a subsidized and a nonsubsidized rate and an incidental rate. So it's a bit of a more complicated question. I'm not trying to be vague. But when the programs were designed initially as part of the Building Independence initiatives, they were designed so that there was always an incentive effect to leave social assistance and move into training that was connected to opportunity in the workforce.

Mr. McCall: — Yes, I thank the official for the answer, and certainly I'm familiar with Building Independence programs and what the rationale was. And I guess we don't have the time for it tonight, but perhaps we'll pursue this information in a different way just to make sure that those incentives are still there in the program and to make sure that training really is an attractive option for people, not just for the training in and of itself but what it means to being able to support yourself through these opportunities.

A last, a couple last questions on PTA [provincial training allowance]. How many individuals are receiving PTA? This year how many received it, and how many received it last year?

Hon. Mr. Boyd: — There are 4,700 students that are projected to use the provincial training allowance this year.

Mr. McCall: — How many were receiving PTA last year?

Hon. Mr. Boyd: — The same, 4,700.

[21:15]

Mr. McCall: — I thank the minister for that answer. One last question on PTA in terms of different sort of applications of it. There have been different efforts made through the years in terms of making it eligible for . . . There is a child care worker program that I can think of where PTA was made eligible for supporting individuals taking that programming. Can the minister or officials describe what PTA goes towards and whether or not there are any pilots out there in terms of additional programming offerings, be it in tight occupation categories or otherwise.

Mr. Pandya: — Thank you again for that question. So the provincial training allowance being brought into the Ministry of the Economy and that responsibility centre is new to the Ministry of the Economy. So this is an opportunity for us to look at . . . The provincial training allowance regulations allow the ministry the flexibility to engage in pilot initiatives that move beyond the traditional scope of PTA eligible programs. And so we are currently engaged in a couple of pilots around skilled trades programming that aren't normally covered, but we'll be examining that.

And I can't comment to the specific program that you were referencing, member, but we do have that authority to exercise some discretion in terms of pilot initiatives under PTA.

Mr. McCall: — Glad to hear it. And perhaps if the minister or officials could provide further information as to the way those pilots are currently being deployed, it would be much appreciated because I think it's a pretty smart bet in terms of supporting people to get those skills, particularly in tight occupational categories. But glad to hear it.

In terms of the skills training benefits, if the minister or officials could characterize that expenditure and what's happened last year to this.

Hon. Mr. Boyd: — The amount is 8.657 million. That funding remains unchanged from the previous years. The skills training benefit will continue to be available to provide financial

assistance for unemployment insurance clients who need assistance with incremental costs for retraining. But fortunately that number is declining in Saskatchewan of employment insurance clients. So we're fortunate in that respect, but the budget remains unchanged.

Mr. McCall: — I thank the minister for the answer. Moving on to the apprenticeship training allowance, if the minister or officials could characterize the increase, that I'm glad to see there, and what that might represent. But if the minister and officials could comment.

Hon. Mr. Boyd: — The budget for this area, the apprenticeship training allowance, is increased by \$119,000 or an increase of 5.6 per cent. The budget provides this to support 300 additional Apprenticeship Training and Trade Certification Commission training opportunities that have been added. Our government is ensuring that Saskatchewan people have access to employment and training programs and related supports that they need to participate in Saskatchewan's economy. This of course is for people that are ... A living allowance away from home represents 98.7 per cent of the total claims for the apprenticeship training program.

Mr. McCall: — I thank the minister for that response. Just a couple of broader questions again on the federal-provincial level in terms of labour market developments, labour market agreements. And I've got a couple there, and then I'll turn things over to my colleague.

With the last federal budget, they came out with the Canada jobs grant. There's an expectation for the Canada jobs grant of \$5,000 for each training opportunity from the province. I guess I've yet to find somebody that can explain to me how this is going to work and how this is going to impact programs that we've discussed here tonight, the funding of which, in part at least, flows from the labour market agreement, Labour Market Development Agreement. Can the minister or officials tell the committee about the impact of the federal budget and what's coming down the pike in terms of labour market agreements?

Mr. Pandya: — Thank you again for the question. So I can share what budget 2013, the Government of Canada budget 2013 shares in terms of information on that front. The budget — just if I could maybe make some prefatory comments — the budget indicates that the Government of Canada will negotiate with provinces and territories on how exactly the Canada skills grant will roll out after March 31st, 2014. And so they've committed to initiating those discussions. They've not started.

So what we do know is of course that the Government of Canada has indicated that the labour market agreements, which were some \$500 million worth of labour market programming supported for non-EI [employment insurance] eligible clients in Canada, those were six-year agreements that will expire on March 31st, 2014. And so the Government of Canada has indicated going forward their intention to remove 15 per cent of that funding on an annual basis for the four years following 2014, up to a maximum of 60 per cent as a carve out for the federal contribution for a Canada skills grant program.

Notionally what we've heard is that the program will require a three-way cost share between employers, the Government of

Canada, and the provincial government in terms of supporting skills training. At this point, we don't know what the application of that will look like, whether or not for example all of the, you know, the 6,400 apprenticeship opportunities in Saskatchewan would qualify under the terms of the program. Those details will be negotiated over the course of the next year.

Mr. McCall: — I guess in some respects the official has allayed some of my concerns but certainly not all. As we've discussed at length here tonight, there are a number of programs deployed in the province of Saskatchewan that in no small way count on dollars that flow from these agreements.

If federal offerings coming down the line were to complement the existing suite of offerings, that'd be one thing. But to take programming that in many respects is working and working well and to put in question the dollars that those offerings count on, I guess I find cause for concern in that, I guess. What's the minister's thoughts on where this is all going to wind up and whether or not will this be at the end of the day simply a re-profiling of existing federal dollars that are already being well deployed? Will it be a complement to existing endeavours, or will this take something that is working and put it into question?

Hon. Mr. Boyd: — Well we have had some discussions with the federal government with respect to this. We always try and endeavour to make sure that, you know, our province benefits to the greatest extent we can from any federal government programs that are out there. I guess I would just say this, that that will be certainly the drive behind any discussions that we have with the federal government in that area.

Mr. McCall: — In terms under the existing agreements, what are the federal dollars that will flow into the agreement for this year, and what has been Saskatchewan's share over the past years of that agreement? And if you could provide that on a year-by-year basis, that'd be great.

Mr. Pandya: — Thank you again for the question. So the annual flow to the province of Saskatchewan under the labour market agreement has been some \$15.328 million. And as I said, that agreement is set to expire March 31st, 2014.

Mr. McCall: — I thank the official for that answer. Again sort of rounding up different federal measures that are out there, can the minister or officials describe what has taken place under active measures in the province of Saskatchewan, what dollars have flowed, what sort of overall training opportunities are there.

I realize we got into a bit of a discussion about this under workplace essential skills training but if you could give us that sort of bird's eye view of what's taken place under active measures. What federal dollars have been brought to the table? Provincial dollars been brought to the table? Training opportunities that have been realized?

Hon. Mr. Boyd: — It's an important question, and so we would want the appropriate official that deals with this area to give you the best possible response that we can.

Ms. Morgan: — Good evening. My name is Jan Morgan. I'm the executive director for labour market services. The provincial commitment to active measures is to work closely with the federal government and the five tribal councils to align provincial investments in education and training with the objectives of the parties to the agreement. And basically the intent overall aligns with the plan for growth, in that our intention is to close the gap for education and employment outcomes.

Our three priorities right now from a provincial perspective is to invest in foundational skill development on-reserve, to invest in demand driven training where we know as the Ministry of Economy that there are jobs, and third we're working to increase the capacity at the reserve level for career and employment services.

The federal caseload is a caseload of about 5,000 young folks between the ages of 18 and 24 years old. There are no services for them to assist them to do career planning and to get assessments done on the types of skill levels they have, literacy levels, etc.

So our priority is to use the labour market services offices throughout the province to work individually with the surrounding bands on either having our services made more available to them or to assist them to do their own case planning. And so we've been providing advice and sharing our training seats. Our staff that go to training for employment counselling, we've increased those seats and invited members of the community who are employees of the band to participate in that training. And for the most part, the work that we've done over the past year and a half is really to start to have the planning take place.

We were at Gordon's, for example, the other day, and what they have is, they've already assessed their caseload. They know they have 104 individuals who should be working between those ages of 18 and 24. So right now we're engaging a regional college to help us do the career assessments with the community and then do some career action plans that can match them to jobs that are available in the region. So we've done some analysis for them on what employment opportunities there are with Atco and some of the other mine operations. And the college has really been a good partner in helping us to get some of that kind of work done, and they're also a link to the available jobs as they deliver a lot of the training.

Mr. McCall: — I thank the official for that response. What sort of dollar figure have the provincial efforts . . . What's, in monetary terms, what has the provincial contribution to active measures meant? Is there a figure that can be attached to that?

Ms. Morgan: — There could be a figure attached to that. I would say it's between 5 and \$6 million, and it's a combination of on-reserve ABE [adult basic education] programming, on-reserve workplace essential skills programs, the investments we're making in the three federal-provincial investments through the Strategic Partnerships Fund. In northern Saskatchewan, for example, our investment there overall for First Nations and Métis is in the \$25 million range. So it kind of varies by region.

[21:30]

Mr. McCall: — I thank the official for that response. One last question from me, Mr. Minister and officials, and then you're shut of me. The question is this. The joint task force on First Nations and Métis employment and education, one of the recommendations in that report concerns the need for a high-level ministerial group on the part of the provincial government working with First Nations and Métis Nation and the federal government, but that the province detail ministers to do that work . . .

Hon. Mr. Boyd: — I'm sorry?

Mr. McCall: — That the province will be providing ministers that have been tasked with implementation, so that the report doesn't gather dust on the shelf. What role will the Ministry of the Economy be playing in that and when can we expect further detail on that particular aspect of what this provincial government has been called on to do?

Hon. Mr. Boyd: — Thank you, Mr. Member. First of all, we received the report. We believe it was a very good report. It certainly builds on I think some of the concerns that the First Nations have.

There was a commitment at that time to have ministerial involvement into the discussions with First Nations and Métis leaders around this. Since then we have, and prior to that, committed \$3 million to the funding — 1.5 million for adult basic education, 1.5 million for a partnership between industry and First Nations. I think we are very proud of the fact that we have in this budget \$29.8 million in direct programming for First Nations and Métis, about 70 million in indirect funding for First Nations and Métis programs here in Saskatchewan.

So I don't think we . . . I'd put it this way. We were pleased to receive the report, but we're moving aggressively in these areas I think to ensure that First Nations and Métis people here in Saskatchewan have full opportunities to participate in the economy of our province. That commitment will remain the same going forward and, based on the report, we will continue to have ministerial involvement to the greatest extent we can.

Mr. McCall: — Well I thank the minister for that response. Certainly the report . . . It's a good piece of work but it was longer coming than we'd have wished for. But we're glad to see it here and of course we are very anxious to see that it is taken up on as well as it should be. So we'll be looking for that in the days and weeks and months ahead.

I guess at this point, Mr. Chairman, I would thank committee members and minister and officials for their work in the consideration of the estimates that it was my privilege to talk about. And with that I would cede the floor to my colleague, the member from Rosemont.

Hon. Mr. Boyd: — If I may just, Mr. Chairman, I would want to thank the member for the very good discussion we've had here tonight and the constructive questions that he presented.

The Chair: — I recognize Mr. Wotherspoon.

Mr. Wotherspoon: — Thank you. Thank you. Thank you, Minister. And thank you, officials, for being here tonight. I wouldn't mind touching into some of the analysis that was done as it relates to the changes to the labour-sponsored venture fund program, the reductions in the total subscription. And maybe we'll start with that aspect right there.

There's been of course a bit of a double whammy for these funds where the federal government, the day after the provincial government, announced the phased-out elimination of the tax credit. That, compounded with the decisions made by this government, certainly created a new environment for these funds, maybe a challenged environment.

My first question might be just to clarify if this minister had any awareness of the changes that the federal government was making prior to the federal government's budget, a day after their budget.

Hon. Mr. Boyd: — I would just say this to begin with, not to answer your question, but this evening we've been trying to confine our questions to one area and then move on to another. I hope that is in keeping with what you would like to do here so we can sort of arrange the officials accordingly with respect to the various questions that you would have. Your previous member was very helpful in that respect so we hope that continues. And just a moment and we'll get . . .

We had no prior knowledge of what the federal government was going to be presenting in their budget until the morning of.

Mr. Wotherspoon: — Does the minister have I guess a position on the federal government's phased-out elimination to the tax credit on the federal side? And has he had any communication or any advocacy with the federal government.

Hon. Mr. Boyd: — The federal government allows for a time frame to make comment on changes that they make in the budget process. It's our intention to make some comment with respect to this measure. We are working on those thoughts at the moment.

Mr. Wotherspoon: — Does the minister have a perspective at this point in time, a position as to whether or not he's opposed to the phasing out of that tax credit?

Hon. Mr. Boyd: — I think we're not in a position to comment just right yet on that. We're still working through what we think are the implications around that.

Mr. Wotherspoon: — So the provincial government made some changes to this program as well. One on the side of the subscription, total subscription, limits the cap I guess to the total capitalization. And they've also of course made changes on some direction as to where those funds can be placed. Maybe just focusing on the point of the subscription limits, what sort of economic analysis or what sort of consultation did your ministry engage in before arriving at making this reduction in the investment cap?

Hon. Mr. Boyd: — Yes. There was a reduction in the subscription limits from 100 million down to \$80 million. There was a review done. However, it wasn't done by the Ministry of

Economy. It was done by the Ministry of Finance with respect to that. But it was following a consultation process with the two funds.

Mr. Wotherspoon: — I just spent the last two hours with the Minister of Finance. We spent a bit of time on this file, and he said I should endeavour to follow up with the Minister of Energy and Resources . . . I mean Minister of the Economy. But he was helpful and co-operative in looking at some of the challenges that are posed by some of changes.

Now the minister said that this was reduced. The cap was from 100 million to 80 million. I believe it was 110 million to 80 million. Is that . . .

Hon. Mr. Boyd: — Correction. You're correct at 110.

Mr. Wotherspoon: — Of course these are dollars that are placed and invested into Saskatchewan, capitalizes our province, drives our economy, and also allow sort of your regular investor, your everyday family a chance to participate in placing their dollar, their investment in our province. So it's a good program, and it also has certainly driven some strong economic benefits.

That being said, I know the Minister of Finance said that by way of sort of the return on investment and that economic analysis, understanding the cost of a tax credit in a given year and the return in the subsequent years or the recouping of that credit, is the kind of analysis or the analysis that was done through the Ministry of the Economy, and suggested I followed up here. So I'm just looking to the minister and/or officials as to what sort of analysis was done in choosing to reduce that subscription limit from 110 million to 80 million, reducing the investment by 30 million.

Hon. Mr. Boyd: — Well we have a responsibility to look at these programs and make sure that we have a level playing field out there. I think that there were concerns brought forward by individuals and other people in the investment community around these funds. While they play an important role, we also have . . . There were program criteria that we felt needed to be strengthened a little bit with respect to this to ensure that these were moved into what we would call the areas that I think were a priority. These are venture funds after all. These are not, you know, normal . . . I guess I would say they are sort of outside of the normal areas of investments that a lot of people would make. Even though they're small in nature, we wanted to ensure that there wasn't, as I say, an unlevel playing field where you have a fund that has tax treatment that's different than other funds that are investment choices that people would have.

Mr. Wotherspoon: — So just as far as levelling the playing field, what other funds then could the sort of average family — not sort of funds with thresholds of \$50,000 to participate as minimum thresholds or larger — but what funds then in Saskatchewan would we be levelling the playing field with that the average Saskatchewan worker and families trying to save a bit for retirement, what funds would these be in competition with?

Hon. Mr. Boyd: — Well, there would be literally dozens of them out there that people could access through the investment

community of . . . there are all kinds of instruments that people can invest in.

Mr. Wotherspoon: — Back into, back into our province?

Hon. Mr. Boyd: — In some cases that may be true. In some cases it would be investments that they would make elsewhere but through investment dealers here in the province.

Mr. Wotherspoon: — I've just always been a believer that these have been well-managed funds and the economic returns have been many to the province, and that we've been well-served by having sort of that everyday, hard-working family able to place, you know, sometimes not a real large investment on an annual basis. In fact these are capped at \$5,000. I think we've been well-served by allowing families and hard-working Saskatchewan people to do that.

I also think we've derived a benefit back as a province by way of, of course, the economic expansion that's occurred with that capitalization, but also it's, there's a real point of pride for Saskatchewan families who have invested in their province and certainly seen the ability to benefit from some of the activity within the province and our economy as well.

But by way of analysis of costing of these programs, I know it's been laid out that the current tax credit was going to cost about \$18 million a year. What analysis — this is where the Finance minister directed me down here — what analysis does your ministry have as it relates to the recouping of those dollars, the return on investment? Is that repaid in a two, over a two-year period, a three-year period, a five-year period, by way of additional dollars generated through corporate income tax or personal income tax or all the different revenue sources that are derived out of economic expansion?

[21:45]

Hon. Mr. Boyd: — What we were finding is, is that there is less of a . . . When we see an economy that's growing as quickly as we are in Saskatchewan, there's less of a need for programs of this nature, I would say, because there's significant amounts of capital coming into the province or are available in the province for investment. So our government was of the view that moving that threshold down would reduce the exposure of the taxpayers in this area, and then we would have additional resources to move into other areas that we felt were important like skills training, things of that nature.

Some of the concerns we were hearing, as an example, some of the funds were investing into things like oil companies. And people that were engaged in that were, in that fund, were receiving a tax benefit to invest in that area, whereas other folks that sell investments of various types were not receiving that same kind of tax credit for investments that their clients may have that would want to invest into the oil business.

Mr. Wotherspoon: — The question was just — thank you for that information as well that was provided — just the question as to analysis around sort of the return on investment or the potential for recouping the outlay of that tax credit on a given year. Just wondering what analysis, what reports, what information the minister has as far as the cost of that tax credit

and the period of time it may take to recoup that dollar.

Mr. Campbell: — We don't have the information as part of that study here, but we can certainly provide that to you at a later date, some of the analysis around that. But I think overall our assessment as a ministry was that if we were to get incremental dollars, it should be allocated towards the labour market side as the top priority to continue with the government's growth agenda. But we'll see what additional information we can provide to you.

Mr. Wotherspoon: — Thank you for endeavouring to provide the analysis, the reports you have by way of the costing of this program. I appreciate that. Now is it the minister or the ministry's belief that this tax credit in essence paid for itself over a period of time or is that . . .

Hon. Mr. Boyd: — I'm reluctant to get too far into this without making sure we have the proper information on this around the work that was done to take a look at this program. I guess I would just say, I think if you look at these types of programs, should you just let them continue and, you know, let them unfold as they are and, if there's additional taxpayer dollars that have to be put into these programs, just let her go? Or should you look at them and say, are they meeting the needs of Saskatchewan people in large measure, not just for the people who want to participate in this particular fund but in everyone else that has investment dollars that they may want to invest in Saskatchewan?

And it's, I guess, our thoughts around these areas is we're reducing taxpayers' exposure in a number of areas, some of which have been highlighted in the legislature on lots of occasions when it comes to taxpayers' involvement into these types of things. So you'd look at these and you say, is it meeting or has it met the original goals that were set out for them in the past? I think these are important programs. I think they have worked pretty well, but at this point in time we feel that there's a significant availability of capital. And so then you start determining whether you want to continue to put taxpayers' dollars into a program when there already is significant capital available for investment here in Saskatchewan.

Mr. Wotherspoon: — The discussion . . . But is it the minister's feeling that these tax credits, this outlay of taxpayers' dollars, in essence, are recouped over a period of time?

Hon. Mr. Boyd: — Well one would hope. Absolutely, one would hope. I mean that's the whole point of them, is that you would see the investment recovered at some point in time. And you know, that's certainly the wish and the hope any time you implement programs of this nature. We don't want to see programs that just go on and on into, you know, into the future with no end date or no sunset with respect to these things.

Not to say that we are going to end this one, but I guess I would just say in general terms, how long do you want a program to be in place for that has taxpayer dollars associated with it? Or should you be moving yourself away from those types of programs, particularly when you're in an environment where there's lots of capital to invest?

Mr. Wotherspoon: — The government has been making steps over the past couple of years to increase this threshold, the cap and so then this year, to the surprise I think to many, has retreated and reduced it. So I'm just wondering what the economic plan or justification was to sort of ramp it up over the past couple of years and then to scale it back this year. Or is this based off of a review that was undertaken and some analysis that said that continuing to go as the minister was in ramping this up over the past couple of years and now that it was better to scale it back?

Hon. Mr. Boyd: — Well I think you would know that in the process of putting together a budget there are always a lot of competing interests. There are all kinds of different programs out there, everything you can imagine, that the whole suite of programs that governments offer. There is a finite amount of dollars that you're prepared to put into the various options that are available out there. That's a normal process; all governments go through those types of things. And you try and make a determination as to where are the higher priority items in your budget.

We felt, in terms of programming, that the areas of skills training was a higher priority for us. So then it becomes where are we going to find those dollars to increase those budgets? Or are we going to continue with this program or are we going to pull it back a little bit to save dollars that we'll put into other areas? And that's the choices that all governments look at and make decisions about on a budget that we felt is important to maintain the fiscal integrity that, I would say, that the province has now become well known for.

Mr. Wotherspoon: — On the other side of the changes that were brought forward, it's sort of government providing some intervention to direct where dollars will be placed, where those holdings will be placed. Does the minister . . . I guess I understand from the Minister of Finance that this is a process that's continuing to evolve, which if in fact that's the case, I'm encouraged by that because I think the way it's laid forward right now is not very clear. And I think it's problematic in the way it dictates those investment dollars on those holdings as well that, I would remind, have been placed in by investors and are now held for eight years. Does the minister have concerns around fairness on this front? And does he, are you open to looking at some co-operative solutions on this front?

Hon. Mr. Boyd: — We are still consulting with the fund companies. There's only two in Saskatchewan that were involved in this program. We're continuing to do that. Yes, of course we're interested in ensuring fairness. But we're both interested in ensuring fairness for the people within the program, but also for people outside of the program that weren't accessing those taxpayer dollars.

So there's a balance that I think you have to look at. Does this meet the test in terms of that balance? Well I guess I would argue, yes. We think it still does meet that test. If you are interested in that type of program, there's still that avenue that's available to you. If you feel that you would want to invest into something different than what the funds invest into, that is a choice that is available to you as well through the investment community. And so you try and balance those interests as well as the fairness within the operations themselves.

Mr. Wotherspoon: — So this program now mandates or dictates that 15 per cent of that fund be placed in this current year into an area titled innovation. I guess just a question to the minister as to what that means. What is innovation? How is it defined? What fits the criteria of potential investment in innovation?

Hon. Mr. Boyd: — Well the funds themselves have some thoughts on that in terms of the question of innovation. And we're consulting with them with respect to that, what their views are on that innovation file. And we'll be certainly continuing to work with the two funds with respect to that.

I guess I would just say this, in terms of the whole fairness question: Should some folks that choose to go through this program and invest into an oil company be provided with taxpayer dollars, when others that choose to make direct investments don't get those same tax dollars if they invest through another mechanism outside of the fund in a time when I don't think many people in Saskatchewan would feel it necessary that there be taxpayer dollars going to the oil industry?

Mr. Wotherspoon: — So I appreciate the first part of the minister's response and your forthrightness in the second part. But the first part reflected a level of co-operation and a level of consultation with the sector right now to sort of define what innovation is. You know, I mean I won't make too fine a point on this right now. I mean I would typically expect that when a government comes forward with a fairly significant change to a program that impacts people and shareholders, that work and consultation would have occurred before it hit the black and white of a budget book. That being said, I really do appreciate an openness of government right now to ensure that as this program goes through the changes that it's done in a fair way, as is being described by the minister.

I guess some of the considerations may be around fairness of changing the prospectus on the fly, if you will, having somebody enter into an investment last year or the year prior or the year prior to that, having their dollars locked in for eight years and having a prospectus of that fund that's now being changed and potentially affected by changes of government. So is the minister open to or considering any solutions that would allow I guess the integrity of the fund in the sense of when an investor entered into it, maybe the program to date? Because that was the fair terms that that investor, that household, that person had entered into. Is there some considerations or discussions with the sector to see if there's some sort of compromise that can be achieved to maybe set something up on a go-forward basis but something that's fair to shareholders and the terms they entered into previously?

Hon. Mr. Boyd: — I think that will be determined through the consultation process that we will have with the two funds.

[22:00]

Mr. Wotherspoon: — And one other question on this would be, when it describes the 15 per cent in 2013 to be placed into this area titled innovation, is that on the go-forward investment of potentially 80 million this year, maybe less, or is that on the total holdings of those funds which may be around the \$500

million mark right now?

Hon. Mr. Boyd: — That would be still part of the negotiations that we are entering into with the two funds with respect to that because there may be some legal issues around the aggregate, the larger number, than just the current budget year number.

Mr. Wotherspoon: — So I appreciate it. I mean, I appreciate it on two levels. And you're being forthright. You're sharing information.

On a matter of fairness, I think it's certainly less than fair to have somebody place an investment with a prospectus and then have it changed, not in a democratic fashion of shareholders but by the hand of government or the direction of and order of government. So to maintain the integrity of where those dollars have been placed and making sure that they're able to derive the full benefit based off that prospectus, that's important.

And you did touch on the item of legality. And I think it's a fair question and one certainly I'm glad government's paying attention to. And I guess my question on that is, does the minister have any legal opinions before him that either suggests changing the aggregate or changing the total holdings? Or the changes that have been proposed, does he have opinions to suggest that they're legal? And does he have opinions that suggest the contrary, that they're maybe not legal?

Hon. Mr. Boyd: — Again that will be one of the further things that we will want to discuss with the funds with respect to this. They have I think significant experience in this area. We wanted to provide the maximum amount of fairness that we possibly can to current unitholders and future unitholders.

Mr. Wotherspoon: — Thank you to the minister for being forthright in some of what your perceived concerns are, but also for stating an approach to I guess being open to some potential changes or evolving this file as we go. I would recognize that some of this is certainly timely because right now as it stands there's a threshold of 15 per cent that's been stated for 2015, or 2013, sorry. And of course that does have implications for those shareholders and those fund managers that I would suspect would be, you know, looking to place those investments in a way that would benefit shareholders in a maximum way.

So thank you for your attention to the file, and thanks as well for endeavouring to provide the analysis as far as return on investment or recouping dollars, any of that analysis that your ministry has on the value of the labour-sponsored venture fund program.

Now the minister talked about the consistent approach of the former questioner before . . . the former MLA [Member of the Legislative Assembly]. I hope I'm not breaking with that too much. I do have some areas I want to touch, but I know we only have an hour here tonight. So I have a few other places and I hope it doesn't cause too many shufflings of your desk.

And I believe we're going to be coming back in for again with Energy and Resources. Is that right?

Hon. Mr. Boyd: — Yes.

Mr. Wotherspoon: — Okay. So I'll try to stay focused on some of the other areas. Now that being said, I think we could touch out of maybe revenue and planning, just around some of the changes with the ethanol industry. And I'd be interested in just hearing what those changes are and what sort of consultation was done with industry prior to the change.

Hon. Mr. Boyd: — Well I would say that there was pretty wide-ranging and significant consultation with the ethanol industry. We had discussions, starting back well before the budget, indicating that the province of Saskatchewan was looking at making some changes. It was felt that the goals that were established at the outset for the program had largely been met.

Again it's very similar to the last discussion that we've had. You take a look at these programs. You see what the cost to the taxpayers are. You also make some determinations as to the effectiveness of the program going forward — what amount of problems, I guess I would say, would be associated with making any kind of changes that that may come forward. I think the view is, is that we want to, as a government, reduce taxpayers' exposure in these areas, particularly when we feel that the program goals have been largely met over time.

Mr. Wotherspoon: — So by way of . . . So there's consultation that was relayed. And through that consultation and through any post-budget analysis or communication, what impact will this have on our industry here in Saskatchewan?

Hon. Mr. Boyd: — Well we have committed to the industry, and we will follow-up with that, to continue to have discussions around the programming, the program going forward. We will be undertaking to start that sometime soon. The industry of course is not, I suspect following our discussions that we had with them, not surprised that we will likely want to make further changes going forward. That will be part of the next budget process in making that final determination with respect to that.

I guess I would just say this: that when we look across Canada with respect to the ethanol industry, we see some sunset clauses with the federal government I think as well as Alberta and I think Manitoba as well, Manitoba as well, with respect to this. So I think some of the comments that were made by players within the industry was that they were hoping if there are to be a few other changes made, that they would be made in a similar time frame to wind down the program as other jurisdictions are making. So that's part of the consultation that'll take place going forward.

Mr. Wotherspoon: — Thank you. Can the minister describe a little bit just by way of some of the changes going on in the renewable diesel program.

Hon. Mr. Boyd: — The renewable diesel program was a program that was not fully subscribed. So it was felt that rather than having it on the books at a higher level, we might as well pull it back to the level that is being subscribed to.

Mr. Wotherspoon: — So the expenditure — and I don't know this program well — the expenditure has decreased this year as well. So last year \$2.6 million was spent by government into

this program. This year it's \$1.8 million. So what was the subscription last year? What's the planned subscription this year? And what justifies the decrease in expenditure?

Ms. Haas: — Denise Haas. I'll answer that question for you. So essentially in decreasing the budget, what we did was we looked at the program, and there's only one biodiesel producer in Saskatchewan right now. And so we did an examination of their capacity and what their current production is and then did an estimate going forward of what their production would be and then matched that to what we have in the budget process. So in effect there's no negative impact to the producer at all. As the minister said, it's just aligning the actual budget within estimates to what the usage of the program will be.

Mr. Wotherspoon: — Thank you for that information. What was the total usage, the total expenditure then in fiscal '12-13?

Ms. Haas: — The expenditure in '12-13 was . . . It was under \$1 million.

Mr. Wotherspoon: — And it's 1.8 million then this year is what the budget is?

Ms. Haas: — Yes, that's what the budget is . . . Sorry, that's what the budget is this year is 1.8 million.

Mr. Wotherspoon: — And last year the program was budgeted at 2.6 million. It wasn't fully subscribed to. There's one producer you were dealing with, and it was under 1 million that was expensed. Is that . . .

Ms. Haas: — Yes. And that producer did an expansion. So then we've looked at the increased production that could come from that producer in determining the budget amount of 1.8.

Mr. Wotherspoon: — And how does that program work?

Ms. Haas: — Basically it's an incentive paid to the producer that's equivalent to 13 cents per litre.

Mr. Wotherspoon: — The Northern Development Fund grant program that's itemized here, could the minister or officials just speak to what that's funding, what its objectives are? And I see the budgetary amount has remained the same from the budget last year.

Hon. Mr. Boyd: — There is no change in the Northern Development Fund. It was \$205,000 last year, \$205,000 this year. It's a grant program which provides support for new business development, business diversification and expansion, as well as entrepreneurial and business skill development, which will continue for northerners.

Mr. Wotherspoon: — Thank you. Maybe looking into some of the areas of economic development within the budget and responsible to your ministry, I see Saskatchewan Trade and Export Partnership's been moved over from Enterprise and placed within this new subvote. That's good. They do a lot of good work over there at the Trade and Export Partnership.

I know some of the discussion around economic development has hinged around municipalities and municipal planning. And I

know we have municipal legislation before the Assembly that's, in some ways, premised around economic development and addressing I think described potential barriers or challenges to growth. So just wondering where your ministry fits into the discussion around municipal legislation and municipal affairs. What role do you see your ministry having, certainly into the future, but what role has your ministry had to date in that discussion?

Hon. Mr. Boyd: — Well our ministry is involved, as a number of ministries are, when it comes to these types of issues. We want to ensure that we see opportunities that are before the province of Saskatchewan, that come before the province of Saskatchewan, are realized to the maximum potential that we can and to assist in any way that we possibly can with respect to them.

So I guess I would just say that certainly when it comes to the, you know, discussions between an urban and a rural jurisdiction, sometimes there is some friction or can be friction between them. And I think what we are simply wanting to see is the maximum amount of co-operation that we can achieve between municipalities when it comes to economic development.

Mr. Wotherspoon: — Has the minister been involved in Bill 90, for example, or your ministry been involved in that, the creation of that bill?

Hon. Mr. Boyd: — Not in the creation, but certainly in the, I guess I would say, in the basic genesis of something of that nature. It would come before cabinet in a normal way for just open discussion about the nature of the bill, but not actual direct involvement in the drafting of it.

Mr. Wotherspoon: — Maybe just looking further into economic development and maybe look at a couple regional projects that are important of course to the province but also to a region. One that comes to mind is the Prince Albert mill. And I was just reading some comments of the minister this past week suggesting that some of the hiccups that are occurring with the current project — I believe that's the language of the minister — that the minister's optimistic that that will be resolved and that progress will occur and the mill will be operational, I assume is what's being suggested. I guess just from the minister to put onto the record here, what evidence does he have that's suggesting that that progress is occurring?

[22:15]

Hon. Mr. Boyd: — Well ongoing discussions and consultations that we have with the proprietor, Paper Excellence, that's where we would get that information from. They are experiencing some technical delays. They are also experiencing some equipment ordering delays, I understand. There's also some concern with some barriers that appear to have been put up in China with respect to dissolving pulp which is what will be produced at this facility, which needs further discussion. And we may engage with the federal government around that. But company officials still indicate to us that they are moving forward with respect to the facility, the power generation part of it. As I'll describe it as is . . . is operating now, so that's positive. The company is still indicating that they are moving

forward in terms of the overall project.

Mr. Wotherspoon: — The aspect of the concerns as it relates to decisions within China and their impacts on dissolving pulp, could the minister expand a bit about these concerns?

Hon. Mr. Boyd: — Well I've just been made aware of that and in recent days. But we're seeking some further information both from the Government of China and also from the federal government with respect to this to, well first of all ascertain whether it's correct, and to see if this may be an impediment to moving forward or whether it's a delay or what might actually result from this if it's indeed correct.

Mr. Wotherspoon: — And what's the assertion or the allegation that's been put forward?

Hon. Mr. Boyd: — Well, that there may be some sort of a trade barrier put up around this area.

Mr. Wotherspoon: — And that would impact this operation because that's what they've . . . that's sort of their contractual relationship with taking over the mill — is this dissolving pulp process different than the bleached pulp? — that I think they have a non-compete or something in place with Domtar. Is that correct?

Hon. Mr. Boyd: — That's correct. They, the paper mill, before produced craft pulp, I think it's known as. And dissolving pulp is a much different thing. That was part of the agreement that Paper Excellence entered into with Domtar, that a non-compete clause that essentially prohibits them from producing craft pulp in competition with Domtar's other facilities in other locations.

Mr. Wotherspoon: — Okay. So you're following up as minister then with the federal government? Is that the next steps? Or what are the next steps to clarify?

Hon. Mr. Boyd: — Well as I've said, we've just been made aware of this in recent days, so we are going to be checking to see about the information and first of all the accuracy and then what, if anything, needs to be done around this. And of course the federal government has more resources in this area than we would have in terms of discussions with another, with a foreign government in this case.

Mr. Wotherspoon: — Will the minister endeavour to provide back that analysis back to members of this committee and myself as . . .

Hon. Mr. Boyd: — Well once we receive any further indications on it, I'd be happy to do it.

Mr. Wotherspoon: — Just as it relates to some of the dollars that were put into this, provincial dollars, how many provincial dollars went to this company and for what purpose?

Hon. Mr. Boyd: — We will check on this to be absolutely sure, but we believe that there was about \$500,000 for training programs. Nothing beyond that. Strictly for training. The proponent indicated to us that moving from a mill that is designed for kraft pulp and moving to dissolving pulp, there will be a need for some retraining of the people working in the

facility, and we felt it important to help in terms of upgrading skills that people would have that would be working in the facility, so we put some dollars towards training programs with Paper Excellence.

Mr. Wotherspoon: — So it was 500 million. It wasn't one . . . or 500,000 I meant, and it wasn't . . . I thought I had read somewhere there was maybe two instalments of that.

Hon. Mr. Boyd: — We're checking on that to be sure, but it may be over two years. You might be correct about that, yes.

Mr. Wotherspoon: — Just on those dollars, then, so have those been . . . Would those dollars have been delivered already to Paper Excellence and, I guess, when would have they been delivered?

Hon. Mr. Boyd: — I indicated it was \$500,000 or approximately. It's actually \$450,000 per year over two years, and the first \$450,000 has been allocated.

Mr. Wotherspoon: — Have those dollars been utilized for their purpose? And what assurance or reporting mechanism does the minister have to ensure that those . . . I guess the first part was, have they been utilized and, if so, then what reporting does the minister have to assure the public that?

Hon. Mr. Boyd: — The program is monitored. There is a contractual agreement that has been drawn up with Paper Excellence with respect to this. And I apologize. We were mistaken here. It is \$450,000 total. Yes. I have the contract before me, so it's \$225,000 will be paid upon receipt of a signed contract, \$180,000 of financial assistance paid midway through the project, and 10 per cent at the end of the project's completion.

Mr. Wotherspoon: — And the dollars that have flowed so far, has the minister had any reporting back to assure that they've been utilized for their purpose?

Hon. Mr. Boyd: — We are monitoring the activities around it.

Mr. Wotherspoon: — And to date, has there been any training or is this something that has yet to be fulfilled by the company?

Hon. Mr. Boyd: — Half of the training. I understand half of the training has been completed and we have been monitoring that progress.

Mr. Wotherspoon: — And do you know who they trained, how many individuals and in what roles, what capacities?

Hon. Mr. Boyd: — The deliverables are training programs for second- and third-class power engineers, including exam costs, courses for heavy equipment operators, forklift training, qualified electrical workers, equipment supply technical training, and a number of other programs around, around safety that are associated with this as well. We can get the breakdown of them, but 140 approximately employees will receive these training programs.

Mr. Wotherspoon: — Thank you for that information. I believe it's a very small number of employees that have been on

site for some period of time, so I guess we're maybe just into the very early stages of this training, then? Would that be the minister's understanding? Maybe just to that question, how many employees does Paper Excellence retain? I know that there's certainly contractors that would contract and come and go, but how many employees do they retain?

Hon. Mr. Boyd: — It's my understanding we're training Paper Excellence employees here. We will get back to you with the very specifics and the breakdown in the various areas in this regard. We don't have them with us this evening.

Mr. Wotherspoon: — Thank you very much. The information's appreciated. Does the minister have an understanding of who . . . I don't know how to pronounce the name of the company, so I'll just read it into the record — I-Y-I-N-I-S-I-W, IYINISIW Management Inc. Is this minister familiar with this company and its relationship to the mill?

Hon. Mr. Boyd: — We understand this is a firm, an engineering firm that's doing some of the recruiting and is engaged in some of their other pulp mill facilities in North America.

Mr. Wotherspoon: — Do you know their history? How long they've been operating? What their genesis is? Who they've . . . What projects they've done in the past?

Hon. Mr. Boyd: — That's the limited information that we have here. The question's probably better placed to Minister McMillan who would have his forestry folks with him. We don't have that particular component with us here this evening.

Mr. Wotherspoon: — I'll ask the question and maybe the folks here know if not . . . What relationship is there between the company I've mentioned, IYINISIW — I'm not sure if I'm pronouncing that properly — and Paper Excellence? Is there a direct business relationship by way of one being a subsidiary of the other or some relationship of that nature?

Hon. Mr. Boyd: — I honestly don't know. We'll have to get that information for you.

Mr. Wotherspoon: — I appreciate that. And we can follow up as well, as you say, when we have the other minister here as well

It was referenced that the minister has heard that there's some waiting on some equipment as it relates to this mill right now. What sort of timeline can the people of Prince Albert or the entire province expect to see those pieces of equipment to be addressed and to be received, installed? And when are we talking about potential to be operational?

Hon. Mr. Boyd: — In the last discussion that I had with the Paper Excellence officials in my office, I'm going to say about four weeks ago, there was no timelines that were indicated at that point in time as to when they expected that those concerns would be addressed.

Mr. Wotherspoon: — So this is some of the important piece because I know there's a discussion about some hiccups, and I know there's some feeling that these are more than significant

hiccups. I've had it described to me that maybe only 10 per cent of the project's been refurbished. I'm not sure if that's a fair assessment or not. Is that the minister's understanding?

Hon. Mr. Boyd: — No, I don't think so. I think that they are beyond that. I guess I would say that we know that there's been ongoing work taking place there for some period of time. Again, we should get a better update though from the forestry folks around that whole piece.

[22:30]

Mr. Wotherspoon: — And I'll appreciate that because I understand it's, you know, it's over a \$200 million investment that's required. I understand it's been a fraction of that that's been placed into there. And I understand that some of the equipment . . . I mean I don't know these processes myself, but have been described that a press suction roll is vital to this operation, and it's certainly at least a year away from being able to be received, let alone installed. MC [medium consistency] pumps that I understand need to be addressed, a high-pressure feeder — in all these items, by individuals sharing with me their perspective seem to suggest that in almost the rosiest scenario, this thing is 18 to 19 months off. So I'm just looking for some clarity.

And I guess, so given that individuals within the community are sharing some concern that this is at best 18 to 19 months off, is that an acceptable timeline to the minister? That's been described to me as sort of the best-case scenario that some people see. And I don't know whether that's the reality or not.

Hon. Mr. Boyd: — Well we'll undertake to have that discussion with the Paper Excellence officials. It certainly wasn't . . . My recollection of our conversation approximately a month ago wasn't that far out, I don't think. I think they were talking about their hope is to start commissioning in the later part of 2013 and into 2014.

Mr. Wotherspoon: — Has the minister been engaged at all by that company in their, I understand it, desire they had to develop a residence on site in one of the old buildings that was out there? Is that something the minister has been . . .

Hon. Mr. Boyd: — A residence?

Mr. Wotherspoon: — A residence for potential workers or something?

Hon. Mr. Boyd: — We understand that they may be looking at a small facility for visiting officials and technicians, that sort of thing, but certainly not a work camp or anything of that nature.

Mr. Wotherspoon: — Okay. Has the minister been engaged at all, either by community members or business leaders in Prince Albert or folks from Paper Excellence that have expressed some, either from the businesses' perspective, desire to access foreign temporary workers? Or has he heard of these suggestions raised with the minister?

Hon. Mr. Boyd: — Not at this point we haven't, no. I've heard all of the rumours, but certainly Paper Excellence wasn't indicating that that would be something that they would be

looking for, at this point at least. They have not indicated that so far.

Mr. Wotherspoon: — Sure. Thank you for those questions. We can follow up with a little bit from the other minister on that front.

Hon. Mr. Boyd: — We'll ensure that he is fully apprised of the latest information.

Mr. Wotherspoon: — Sure. Thank you very much. Shifting our attention in economic development to a project near Regina or in Regina, and that being the Global Transportation Hub, I guess maybe just looking . . . This project of course is going through a transition right now. There is also legislation that is before the Assembly, and we can go through questions through that legislation, you know, but there's some important questions certainly to be received here as well.

From the minister's perspective, what's been the total public expenditure, the total public dollars — including all ministries, all Crown corporations, all that of the city of Regina, all other municipal partners — to develop all the related infrastructure for the location of the Global Transportation Hub but then also the site itself? So just wanting to make sure we can fully capture and quantify those full costs.

Hon. Mr. Boyd: — The Global Transportation Hub was something that was started by the previous administration. It carried on from there into our administration. There has been a fairly significant amount of public dollars and private sector dollars that have gone into the facility. I'm just looking at my official here if we have a total wrap-up of all of those or not.

Mr. Dekker: — Chris Dekker, interim president and CEO of the Global Transportation Hub. Thank you for the question. It is a difficult question to answer because there's been lots of different agencies and ministries that have been involved and different levels of government involved in different elements of the GTH [Global Transportation Hub] both in terms of the GTH proper but also in terms of regional infrastructure that is not directly associated with costs to the GTH, but obviously we benefit from those.

So there has been investments from the city of Regina as was noted, from the federal government, and indeed from the provincial government. But as it relates to the GTH proper or the GTH footprint, that's largely been done through investment through the Ministry of Highways. There has been land investment. There has been an investment in infrastructure on Fleming Road as well as some infrastructure that we have started to develop through a loan program, that we have roughly about \$32 million into developing 425 acres of land. So it's difficult to come up with one figure that would be really applicable to the GTH, but we could certainly work on one and provide that.

Mr. Wotherspoon: — It's appreciated. I've asked written questions on this, and I appreciate the information I've received back, but I don't feel I've fully captured yet the information. And I think if certainly your government, your ministry would have the resources to understand this question . . . So I guess just to be clear about what I'm looking for, I'm looking for all

costs, all public dollars, and private dollars if you're able to share that, but all public dollars and who those have come from — city of Regina, federal government, rural municipality, the provincial government, which ministry — that are directly involved.

Mr. Dekker: — Certainly.

Mr. Wotherspoon: — So that's one part of it. But then there's the question where it becomes a bit more vague, and that's infrastructure and investment that's related to it. So I think you'd almost have to break it out, those that are sort of the necessary and direct costs and then the associated or related infrastructure — and certainly that's right; there's some of that infrastructure may bring about some tangible benefits for other aspects of the region and province as well — but just so we can fully understand those dollars that have been placed.

Hon. Mr. Boyd: — We'll undertake to get that information for you. It's a little bit — I guess I would use the example of the overpass that's being built out there currently — a little bit hard to determine what amount is directly related to the GTH and what amount is related to normal sort of traffic flows and the opportunity to look at a bypass around the city at some point in the future.

But we'll undertake to get that information for you. It will be a combination of a very wide group of contributors, as our official has indicated from the Ministry of Highways. I think that now we have SLGA [Saskatchewan Liquor and Gaming Authority] is building a facility out there, a warehousing facility, so they would have investment into it. We have investment into the infrastructure proper on it and then outside of the footprint of it.

So we'll undertake to do our best to sort of pull all of that information together, but keeping in mind that, you know, the figure that you come up with at the end of the day is a little bit subjective because we have to sort of, you know . . . I guess I would ask you the question, you know, on the bypass out there: if it's \$100 million, what percentage of it is actually associated with the GTH?

Mr. Wotherspoon: — I think that what I'd call for is sort of the direct and required investments — those that, you know, for us to have developed the GTH there, those investments that were required. So those would be the direct ones. Then there'd be the associated costs. And as far as the actual percentage split of a bypass, I think that would just fit into, the full cost of it, into an associated cost area.

And I don't know if the minister has analysis as to whether or not that bypass would have occurred without the GTH or not, but either way, just placing it out in the associated area. And of course we're aware that that's, you know, of a more subjective nature and that there's tangible benefits that are derived to the region off of some of those other investments as well.

I guess one of the questions I would have is maybe around current pricing of that land on a per acre basis. And what is that current pricing, and then how does that compare to say commercial pad site in similar commercial interests in Regina for example?

Hon. Mr. Boyd: — This is something that is a little bit subject to confidentiality around this area. But I would say that the model is . . . I'll put a ballpark figure on it of about 180,000 an acre for developed land.

Mr. Wotherspoon: — And I appreciate that. And on the commercial side of Regina for similar developed land developed by the private sector, what's the going rate per acre for that land?

Hon. Mr. Boyd: — It's going up. Some of the recent indications from the city for . . . But there is no land that would really be comparable. The reason I say that is if you look at land that the city is at the moment developing on the northeast part of the city, it's in very small parcels, small square footage or small acreage, where our properties are much larger in terms of that. Sort of the smallest would be maybe, I don't know, five acres or eight acres or something like that and up from there. So a little bit difficult to sort of make that apples-to-apples comparison.

But some of those pricings would be in the neighbourhood of approximately \$400,000. A little bit different service, much smaller size, a little bit different end uses in terms of industrial development, compared to what we are associated with. So I would urge the member not to make sort of that direct comparison, acre for acre or square foot per square foot.

Mr. Wotherspoon: — I've certainly had business leaders from within the city that are making that per acre comparison and bringing it to me, so I endeavour to get some clarity on it. And those are generally the numbers that I'm hearing as well throughout the business community in Regina. Now has the minister received any submissions or concerns put forward by the commercial sector or industrial sector, private sector, developers, or otherwise the private sector in general as it relates to that disparity?

Hon. Mr. Boyd: — I can't think of any actual submissions. Lots of sort of anecdotal discussions that there has been out there where people are saying, why is there a difference in the pricing, you know, a fairly significant difference in the pricing? And I guess I would just say that once you engage a little bit further into that discussion and take into account the different types of services, the different sizes in terms of the lots, different . . . a number of factors like that, the discussion seems to drift away a little bit.

Mr. Wotherspoon: — Thank you for the answer. How much did CP [Canadian Pacific] pay for its lands?

Mr. Dekker: — There was a specific agreement with the Ministry of Highways and CP that, I believe, allowed for a swap of land. So I believe that there was no cost to CP for that land.

Mr. Wotherspoon: — For the land that was developed by the public for the GTH?

Mr. Dekker: — Pardon me, I'm sorry?

Mr. Wotherspoon: — Sorry, there was no exchange. It wasn't purchased. CP didn't pay anything for that land.

Mr. Dekker: — Let me just check that, if I could please.

Mr. Wotherspoon: — Sure.

Hon. Mr. Boyd: — We will undertake to get that information for you. There was about 300 acres, I understand, in the initial start-up. We'll also get the time frames around that. I think that's important here in this discussion.

Mr. Wotherspoon: — Thank you. And as far as Loblaws, what was the payment by Loblaws or their contractor?

Hon. Mr. Boyd: — That's again a little bit of a sensitive area around confidentiality in terms of these. And I hope you understand and respect that agreement, keeping in mind that some of those investments were made a number of years ago and there's obviously been a lot of costs that have gone up since that time frame. But we'll endeavour to get that information, and I think we'd probably prefer to provide it to you on a confidential basis.

[22:45]

Mr. Wotherspoon: — I respect that, thank you. You know, I respect the confidentiality. I mean there might be broader discussion about what should be public and what shouldn't be, but certainly if I'm provided something in confidence I will respect that.

I guess a question would be, outside of CP and Loblaws — and I'm not sure whether they actually purchased land or not there, but setting those two aside — what other projects that are of non-governmental nature have located out at the Global Transportation Hub?

Hon. Mr. Boyd: — Located or are currently, we are working with Yanke. We are working with Consolidated Fastfrate, Emterra, Saskatchewan Liquor and Gaming — but that's not outside — and we are currently involved in very detailed discussions with another player that we hope to be announcing here very soon. A very significant transaction that we're not . . . it's not quite ready for prime time here yet but I think it's going to be pretty exciting when it is announced.

Mr. Wotherspoon: — The former CEO of the GTH, Mr. Law, now was he terminated from his position?

Hon. Mr. Boyd: — It was felt by the government that there needed to be a change in terms of leadership, and Mr. Law was terminated.

Mr. Wotherspoon: — And what was the justification for that termination?

Hon. Mr. Boyd: — I think that there was the view that Mr. Law had reached the point where the GTH needed to move from an initial start-up type phase to a more developed program that is out there currently, so it was felt that there was a need for a termination.

Mr. Wotherspoon: — And how much did that termination cost taxpayers?

Hon. Mr. Boyd: — Again I understand that this information has been not made public yet as per the terms of the agreement, but I would just say that it is in keeping with normal practices around executives of this type. Again I have no problem with sharing this information on a confidential basis with the member, but normal compensation for executives of this type. Nothing unusual here at all.

Mr. Wotherspoon: — Is it correct that the government's embroiled in various lawsuits or that the GTH is embroiled in various lawsuits?

Hon. Mr. Boyd: — The GTH isn't involved in any lawsuits, but MHI [Ministry of Highways and Infrastructure] is.

Mr. Wotherspoon: — MHI is . . .

Hon. Mr. Boyd: — Ministry of Highways and Infrastructure.

Mr. Wotherspoon: — And do all those lawsuits relate to the expropriation of land?

Hon. Mr. Boyd: — I believe so.

Mr. Wotherspoon: — Do you know the number of lawsuits at this point in time?

Hon. Mr. Boyd: — Officials indicate that to the best of their knowledge there's one at this point in time, but there's I guess the potential, you know, depending I suspect on any outcomes from that situation, from that lawsuit, there could be additional ones come forward at that time.

Mr. Wotherspoon: — And how will that work with GTH and envision through the new legislation? Where does that liability lie? Because I would suspect that the actions of the Ministry of Highways were driven to fulfill the GTH. So is that a liability then of the entity in the new formation it's going to be taking through this legislation?

Hon. Mr. Boyd: — I think that that would have to be determined, assuming that there's going to be any kind of a settlement.

Mr. Wotherspoon: — Right.

Hon. Mr. Boyd: — Yes. At this point in time that has not happened. Should it happen — I'm a little bit hesitant to speculate — but I guess there will have to be a determination as to who would make any kind of restitution, whether it be MHI or the Global Transportation Hub. I'm assuming that it would likely be MHI, but that's a determination that we haven't arrived at yet because there's been no awarding of any type of settlement.

Mr. Wotherspoon: — What would the justification be if there was an awarding of a settlement for it to be out of the public purse of the Ministry of Highways and Infrastructure, as opposed to a liability of the new entity as it's being, you know, if this legislation that's put on the table continues?

Hon. Mr. Boyd: — Regardless of whether it's MHI or the Global Transportation Hub, it's still taxpayers' dollars either

way. It would just be a determination as to who would be making any kind of restitution, if there was any restitution required.

Mr. Wotherspoon: — What's the basis of that lawsuit and the other potential lawsuit?

Hon. Mr. Boyd: — A normal basis, the view that they want more money than what was paid — a disagreement on the values, the land values.

Mr. Wotherspoon: — And is this related to the classification of the land, whether it's agriculture as a . . .

Hon. Mr. Boyd: — No I don't think so. It's just on the basis of what they feel the values are respective, compared to the appraised values, something that is not unusual to governments in many, many situations.

Mr. Wotherspoon: — And how much profit has the GTH incurred over the past few years since its creation?

Hon. Mr. Boyd: — At this point in time, there's no profit. The government, through various allocations, has been putting more money in than has been received out of it at this point — something that was anticipated I think right from the very start. It's going to require a fairly considerable amount of investment, and now we're starting to see some of those dollars be returned by the sale of property and that sort of thing. But we're still not in a position where there's a profit being shown.

Mr. Wotherspoon: — So just saying . . . I guess to get back to the total investment that was outlaid at the start, what would be helpful is to have the expenses that have been incurred to get an understanding of the operations, to have an understanding of the revenues, and to get an update as it relates then to losses that have been incurred or the separation between the revenues and the expenditure. And what is the . . . You know, I guess maybe my question to the minister is, what's the time frame that he would envision to see the investment of the public returned through the GTH?

Mr. Dekker: — I would just answer that there's really two benefits that accrue from the GTH, and the principle one is with respect to the economic development that it creates. And the opportunities for our medium-sized enterprise is to take advantage of the unique infrastructure for transportation and for export opportunities. So we're really creating a place where we can not only export our goods but also import our goods through efficient means for transportations. So it really is a logistics in transportation hub that they can take full advantage of.

Then there's the increased investment that we get. And to date — including the CP Rail and the Loblaws investment and some of the ones that are already there — we're at a private sector of investment at the GTH of over \$340 million already. So in terms of economic development, it's been a fairly significant investment for the province.

As it relates to profit loss, we're really running the GTH as an operation that should have very little or no surplus. Whatever surplus there would be, would be reinvested, would be off . . .

to pay off debt, and would then be used also for capital replacement and for other things that would allow us to run a fairly efficient GTH operation. So those we have . . . We have a three-year forecast that we put together, and that's approved through the board as well.

Mr. Wotherspoon: — So if there's, you know, just if there was an outlay of \$300 million of public money, how does the minister quantify the appropriate return? What's the direct investment that should occur on the site from that? Is that recouped through purchase of the pad sites, or is it going to be assessed through other economic benefits that are going to be derived?

Hon. Mr. Boyd: — Well the whole concept was for the government to be involved in setting up a transportation logistics centre out west of town here. Then there was land acquired at that point in time. I don't think there's been \$300 million of public dollars in there. We will quantify that, but I don't think they were quite there yet by any means.

But I would say that it was certainly the wish of I think the previous administration and our hope as well that we will be able to continue, through the sale of property, through the potential leases that we may enter into in the future, to be able to continue to develop the site, which will largely be private sector investment into the site, and create this transportation logistics hub for Saskatchewan that will have I think a significant amount of benefit in terms of the operations of it.

Now that will require an ongoing amount of investment to develop those lands, and then through the sale of those lands, those dollars will be recovered. And at some point in the future we would expect that we will be fully subscribed, and then it will be an operation that is maintained through the revenue base that's determined by property taxes.

Mr. Wotherspoon: — So would it be the expectation of the minister to receive all the dollars that have been outlaid from the public back directly by way of, is it sales of land then that those dollars are going to be generated back?

Hon. Mr. Boyd: — It would be my view, yes.

Mr. Wotherspoon: — Yes.

Hon. Mr. Boyd: — That would be my view.

Mr. Wotherspoon: — Sure. And is there a timeline that the minister sees as an appropriate . . .

Hon. Mr. Boyd: — The sooner the better.

Mr. Wotherspoon: — Right.

Hon. Mr. Boyd: — And not to be flippant about it, you know — and the board is very, very conscious of this, I would say — is wanting to make sure that it's just not another industrial park. And there's where the difference is. The mandate is to create a transportation logistics hub where companies that have significant warehousing and distribution operations are attracted to this. So it may take some time because those companies typically have already operations somewhere and to get them to

move from wherever they might be located to here may take some time in terms of that.

Now we are . . . I guess I would say, we. When I say we, the GTH officials are I think moving as aggressively as possible to try and attract businesses to it. As I said, we are quite optimistic about a contract that they're working on right now, and we expect to make that public here before very long, which will be a very significant step forward in terms of that cost recovery now and into the future.

So when I say that, you know, the sooner the better, the sooner we have more private sector investment and clients and more private sector purchase, greater purchase of additional lands, the sooner we will see dollars flowing back to the treasury for the dollars that have been invested in the facility so far.

[23:00]

Now, difficult to determine. I mean obviously there is a budget that's in place. It anticipates revenues. It anticipates costs going forward. This latest one was roughly, if I'm not mistaken, about \$35 million of investment that was put in place over the past year for infrastructure. That's things like roads and all of those kinds of things within the footprint there. That developed 425 acres. We still have significant numbers of additional acres that can be developed in the future. But you can expect that you will see similar or perhaps even higher costs for those types of the next, what I would call, phase of development going forward here.

But it's encouraging what we're seeing at the facility out there. We're getting more and more contact from more and more players in North America and beyond as to the availability and the types of properties that are in place out there. So we're quite encouraged by what we're seeing from the business community in terms of investing out there. And as I say, I think there's, you know, a very significant player that we'll be announcing here fairly soon with respect to another large player making an investment.

Mr. Wotherspoon: — Thank you for the answers here tonight and the information you've endeavoured to provide back.

Now I'm just looking to our Chair. I have certainly many more questions and can continue to go on, but I do see the hour as well. Are we adjourning at this point in time?

The Chair: — It's my understanding that with agreement between the House leaders that we would go till 11 tonight. We will be back I believe in another two weeks with Economy. I'm not sure which ministries, but certainly there'll be a few other opportunities, and the opposition members will have to determine what areas they want to cover. Mr. Wotherspoon.

Mr. Wotherspoon: — So maybe then at this point simply to say thank you to the minister for taking the time here this evening and certainly to all the officials that are here tonight for the work they do on behalf of Saskatchewan people.

Hon. Mr. Boyd: — Thank you, Mr. Chair, committee members, and certainly a very good discussion about a number of areas, and we appreciate the questions. Thank you to all of

the officials for staying to go through this here this evening. Some of the questions that you've asked we will undertake to provide you with the information around those.

The Chair: — And thank you, Mr. Minister, officials, and committee members. This being past the hour of adjournment, this committee stands adjourned until tomorrow afternoon at 3 p.m. at which we'll reconvene again.

[The committee adjourned at 23:02.]