



# **STANDING COMMITTEE ON THE ECONOMY**

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## STANDING COMMITTEE ON THE ECONOMY

Ms. Colleen Young, Chair  
Lloydminster

Ms. Vicki Mowat, Deputy Chair  
Saskatoon Fairview

Mr. David Buckingham  
Saskatoon Westview

Mr. Terry Dennis  
Canora-Pelly

Mr. Delbert Kirsch  
Batoche

Mr. Warren Michelson  
Moose Jaw North

Mr. Doug Steele  
Cypress Hills

[The committee met at 18:00.]

**The Chair:** — Good evening and welcome, everyone, to the Standing Committee on the Economy on April the 3rd, 2019. Committee members tonight: myself, Colleen Young, as Chair; sitting in for Vicki Mowat is Ms. Cathy Sproule. And we have other committee members here: David Buckingham, Terry Dennis, Delbert Kirsch, and Warren Michelson.

Pursuant to rule 148(1), the estimates for the following ministries and agencies were committed to the committee on March 28th, 2019: vote 1, Agriculture; vote 23, Energy and Resources; vote 26, Environment; vote 16, Highways and Infrastructure; vote 89, Immigration and Career Training; vote 84, Innovation Saskatchewan; vote 35, Saskatchewan Research Council; vote 86, SaskBuilds Corporation; vote 90, Trade and Export Development; and vote 87, Water Security Agency.

Pursuant to rule 148(1), the supplementary estimates — no. 2 for vote 01, Agriculture and vote 26, Environment, were committed to the committee on March 20th, 2019.

**General Revenue Fund  
Immigration and Career Training  
Vote 89**

**Subvote (IC01)**

**The Chair:** — Tonight we will now begin our consideration of estimates for the Ministry of Immigration and Career Training, vote 89, central management and services, subvote (IC01). Minister Harrison is here with his officials this evening and I would ask that officials please state their names at the very beginning, the first time they speak into the microphone. And, Minister Harrison, you may begin with introducing your officials that are with you here this evening and make any opening remarks you wish.

**Hon. Mr. Harrison:** — Well thanks very much, Madam Chair, and thank you to committee members for being here this evening. I have with me a number of officials. My deputy minister, Alastair MacFadden, on my left. On my right, our chief financial officer, Denise Haas. And I'll ask officials maybe if they can just give us a little wave when they're introduced. In the desks behind: our assistant deputy minister, Darcy Smycniuk; assistant deputy minister, Christa Ross; chief executive officer of the Saskatchewan Apprenticeship and Trade Certification Commission, Jeff Ritter; executive director of communications, Tyler Lynch; executive director, Jennifer Clark; executive director, Anne McRorie; and acting executive director, Carol Ann Decker; and director, Chad Vickers.

And, Madam Chair, I'll make brief opening remarks as well. Saskatchewan's strength comes from our diversity, the different people, cultures, and perspectives in our communities and our workplaces. Our provincial motto recognizes that Saskatchewan is a place where diversity is not only celebrated but essential to our success as a society and our competitiveness as an economy. By establishing the Ministry of Immigration and Career Training last year, our government has shown that we understand the important contribution that people, including newcomers, bring to our province.

We know that a diverse Saskatchewan creates more flexible, capable, prosperous, and inclusive society, which is key to supporting innovation and economic growth. It's crucial to the success of our province and economy that we continue providing strong support for the economic engagement of our increasingly diverse population. Our budget and plan for 2019-20 has been created with a lens to ensure that all our people can develop their skills and work experience, be part of our economy, and be key players in keeping our province on track by building and growing Saskatchewan together.

This ministry not only plays a pivotal role in this work, but it also helps ensure Saskatchewan remains a preferred place to live, work, and raise a family for generations to come. From 2007 to 2018, Saskatchewan's workforce grew by 65,100 people. The same time we saw the arrival of 123,000 new immigrants from nearly 180 countries settle into more than 430 Saskatchewan communities, helping us sustain the strongest population growth in the past 70 years.

As of January 1st, 2019, Saskatchewan's population reached an all-time record high of 1,168,423. In the most recent quarter, population growth was 0.22 per cent, the fourth highest among the provinces and higher than the national average of 0.19 per cent. The population has increased for 51 consecutive quarters, the longest period of sustained population growth in the province since quarterly records started being kept in 1971.

Seventy-one per cent of that growth is international migration. The majority of these immigrants have come through the Saskatchewan immigrant nominee program, or SINP, one of Canada's most effective provincial immigration programs that matches skilled immigrants to employer needs. SINP is the biggest driver of immigration and population growth of Saskatchewan and continues to address gaps in our labour market.

In 2018 there were nearly 5,000 nominations which were largely skilled workers but also included entrepreneurs and farmers. With their spouses and children included, this will result in nearly 12,000 people immigrating to Saskatchewan. Saskatchewan has the highest employment rate for recent immigrants in the country. The employment rate for new migrants ages 25 to 54 who have been in Canada fewer than five years is 79 per cent compared to 71 per cent nationally. It's important to note that 76 per cent of all newcomers to Saskatchewan stay here, in part thanks to our commitment and investment in immigration which leads to strong outcomes for both the economy and newcomers.

The 2019-20 budget for the Ministry of Immigration and Career Training is 168.1 million, an increase of \$882,000. This year's budget sees investments that will support the ministry's work to help individuals prepare for, obtain, and maintain employment while also supporting the activities that assist employers with the development, recruitment, and retention of qualified workers.

In 2018, there were 10,400 more First Nations and Métis people working off reserve in Saskatchewan than in 2007. This is a 28.6 per cent increase and much higher than the 12.3 per cent increase in employment among the non-First Nation and Métis population. A young and fast-growing First Nations and Métis workforce offers a competitive advantage to Saskatchewan

employers. Every effort is being made to ensure First Nations and Métis workers play an integral part of Saskatchewan's success story.

The budget includes a \$3.9 million increase for the implementation of modernization of agreements, programs and services, or MAPS, an IT [information technology] system which supports all program delivery for ICT [Immigration and Career Training] clients. The new system will be more automated and streamlined, which will allow staff to spend less time doing paperwork and more time working directly with clients. The improved program delivery features client self-service options, simplifying the client experience and allowing access through multiple mediums including mobile technology. It will also ensure compliance with the requirements of new federal funding agreements and will result in a revenue increase of 1.45 million from the federal government under the new agreements.

Also provided in the budget is an increase of \$430,000 to maintain the SaskJobs website, along with the national Job Bank service. This is an important step in our continued effort to build awareness of job opportunities and connect our employers and job seekers. Offering this website provides Saskatchewan people the functionality and service to grow their careers and our economy. We still have our existing partnership with the national Job Bank to provide enhanced service for users, improving how employers and job seekers can advertise, recruit, and search for jobs here in Saskatchewan.

An increase of \$200,000 has been provided to support the expanded reporting and accountability requirements of the new labour market transfer agreements, with three new staff which will help Saskatchewan employers and workers access \$470 million in federal funding over the next six years.

The budget provides 26.5 million for the provincial training allowance, and while this is a slight decrease from last year, this was due to reduced demand and will not have an impact on students.

The Saskatchewan Apprenticeship and Trade Certificate Commission, or SATCC, will receive nearly \$20 million in this year's budget. This funding will provide for the purchase of 4,700 technical training seats, and this is based on the forecast provided by SATCC. And we will continue to work closely with them to ensure the apprenticeship system has the required capacity to meet the demand of the apprenticeship program in Saskatchewan. SATCC has also assumed the responsibility for delivering psycho-educational assessments. Their overall funding includes \$152,000 to deliver this program.

I'd also like to share a few brief examples of the positive impact our ministry is making. We have clear evidence of our labour market impact through external evaluations and client follow-up surveys. I want to share four specific examples because they demonstrate value for money and they reveal the customer focus and accountability of the ministry and its partners.

Our 2017-18 follow-up survey found that employment among clients increased by 35 per cent to 58 per cent of participants 12 months after taking part in a labour market program or service. Among employers who use the job grant program, 94 per cent report satisfaction and 93 per cent said business productivity has

improved as a result of the training funded by the job grant. In our latest evaluation of the SINP, 81 per cent of employers report that the program is working well, and the same evaluation shows that 87 per cent of nominees were employed. As well the SINP entrepreneur farmer category has brought \$122.5 million in investments in the last five years.

These are just a few examples but every one of them describes a tangible impact on workers, employers, and the economy. They are highlights of a ministry that's focused on delivering results, not just delivering programs and services. This budget supports our plan to develop, attract, and retain a skilled workforce that supports investment in economic growth in Saskatchewan. And this concludes my opening remarks, and my officials and I would be pleased to take questions.

**The Chair:** — Thank you, Minister. I'll now open the floor to questions from committee members. And I'll recognize Ms. Sproule.

**Ms. Sproule:** — Thank you very much, Madam Chair. Thank you, Mr. Minister, for those opening comments and reviewing all the work your ministry's doing. It's significant work. So here we are for estimates. And I'm going to start on central management and services (IC01). And I just have a few questions on that to start things off with, if I can find them. Just subvote (IC01), the budget there has increased by over 4 million, so I guess the question is, why? And what salaries are increasing, or are there new positions being added? And then, well I have a second question about the capital asset acquisition.

**Hon. Mr. Harrison:** — Yes. Sure. Thank you for the question. And the budget is increasing by 4.15 million in that particular subvote. That's primarily the result of the IT modernization program, which is 3.9 million of that 4.15. And within that, 1.1 is for non-capital expenses, 2.7 for government-owned capital, and a \$200,000 increase in information and technology services to support the expanded reporting and accountability requirements of the new LMTA [labour market transfer agreement].

So we've worked with the national government as far as the funding arrangements for this. There were requirements that they wanted met through the labour market transfer agreement, which we just recently signed, and through the workforce development agreement as well. I believe that we had to upgrade our systems and that we've done that in collaboration also with other ministries. So SATCC is going to be utilizing our new data management program and the Advanced Education ministry, I believe, as well are going to be a part of that. Yes.

**Ms. Sproule:** — Would it be possible to get copies of the LMTA agreement and the workforce development agreement? Is that something . . .

**Hon. Mr. Harrison:** — Yes, they're already, I believe, publicly posted on the federal government ESDC [Employment and Social Development Canada] . . . whatever they call that department now.

**Ms. Sproule:** — Sorry, what was that?

**Hon. Mr. Harrison:** — The federal government have them

posted publicly.

**Ms. Sproule:** — On what? Do you know, is it on the labour . . .

**Hon. Mr. Harrison:** — Yes, Employment and Social Development Canada.

**Ms. Sproule:** — Thank you. And can you share with the committee what the amount . . . Is there just one LMTA agreement? And how much . . . There's several, aren't there?

**Hon. Mr. Harrison:** — So historically there had been a large number of federal-provincial agreements. We had had a . . . We still have a labour market development agreement and we have a workforce development agreement now as well. Those had been collapsed from a number of different programs. So there had been a job grant or the job fund program at one point, which is now a part of the workforce development agreement.

[18:15]

We had a labour market development agreement for persons with disabilities, which is now a part of the labour market agreement. There had been a targeted initiative for older workers at one point, which has also been included as a part of the other two agreements. So there had been I think four and five at one point, but we're down to only a couple now, which had been actually to a degree our initiative. Obviously the federal government made the decision on these negotiated bilateral agreements with provinces, but through, you know, our federal-provincial table we had advocated, along with other jurisdictions and provinces, to try and rationalize some of the complexity around the reporting on these.

**Ms. Sproule:** — Could you share with the committee what federal funds you will be receiving in '19-20 as part of the budget, or do you have those numbers?

**Hon. Mr. Harrison:** — Yes, I think in total we're around \$80 million I believe in federal transfers. Maybe Alastair can kind of speak to the . . . or Denise can speak to the specifics of which agreement.

**Ms. Haas:** — Denise Haas. So you asked for '19-20, correct? Okay, so the total Labour Market Development Agreement in '19-20 would be 47.9 million and the total Workforce Development Agreement would be 29.2.

**Ms. Sproule:** — Thank you very much for that. Almost \$80 million then?

**Hon. Mr. Harrison:** — Yes, almost 80. And you know, we've had historically some I would say disagreements not just with the current federal government but the previous one as well in how resources were allocated under the LMDA particularly. You know, I think most people would probably make an assumption that they were done on the basis of per capita population. There's a highly complex formula that the federal government had used in managing how individual provinces were allocated funds under the LMDA, which meant that on a per capita basis a handful of provinces were not getting anywhere near the per capita share that we would be entitled to, us being one of those provinces, Alberta being a province as well, Ontario as well.

So we advocated, you know, for many years — this hasn't been a brand new thing — we've advocated in the previous federal government and this federal government to find a formula that would be more equitable without any province being adversely impacted in one year. So I would give a degree of credit to the national government moving at least a little bit in that direction with the additional job training allocation which they had announced, which isn't distributed in the same way that the previous formula would have distributed it.

So we did a bit better than we would have under the previous formula. So you've seen an increase that was, you know, not insignificant. It's not a per capita allocation, but we've been doing better under the job training allocations.

**Ms. Sproule:** — Well done. Is there any other money that comes to the provincial government for immigration? Or is that all entirely separate?

**Hon. Mr. Harrison:** — No, it's a good question. And this is an area where we've really tried to work with the national government to make sure that we're not duplicating services because they deliver basically in this area their own programming, largely through partnerships with third party delivery organizations. You know, we have arrangements that are similar in nature, often with the same organizations. So we've worked hard to try and make sure that we're not duplicating services.

But I mean through our provincial government we do the SINP program, which is entirely funded by the provincial government. But the national government does fund some elements of settlement services. You know, I think that there needs to continue . . . This is a continuing work-in-progress though, as far as making sure at both levels of government that we're maximizing the resources we're putting in and not duplicating services, which has occurred at different points. And I think both sides have at different times tried to rationalize some service delivery and, you know, with varying results because there often isn't enough communication between the two sides.

**Ms. Sproule:** — In terms of the 80 million or almost \$80 million in transfer, does any of that money get used by immigration programs for labour or workforce training? Or is that a completely separate . . .

**Hon. Mr. Harrison:** — No, that's . . . It is. So that would include job grant, for instance, right? We have nearly an \$8 million job grant program, this year allocation to job grant, which is funded through the federal transfer programs. A lot of the job training that we do . . . Not all of it; it would depend on the individual area, and we can probably get into that later. But on the individual program, you know, it would be funded between 30 per cent to 80 per cent federal dollars, depending on a variety of factors, on a variety of requirements. So you would find a differing amount, but there would be elements of both provincial and federal funding in the job training programs that you would find out there.

**Ms. Sproule:** — It's obviously a very complex arrangement and I certainly appreciate the explanation. I am fairly new to this file so I'm just trying to get my head around it. In terms of the appropriation and that 170 million for this year, is the \$80 million

from the feds on top of that? Would your total . . .

**Hon. Mr. Harrison:** — No.

**Ms. Sproule:** — That includes the federal funds.

**Hon. Mr. Harrison:** — Yes.

**Ms. Sproule:** — Okay. I can't find the revenues anywhere in the Estimates. I'm sure it's in the budget document somewhere but . . .

**Hon. Mr. Harrison:** — Mmm hmm.

**Ms. Sproule:** — All right. So about half then of the money that your ministry gets would be federal transfer money.

**Hon. Mr. Harrison:** — It would be. And the historical background of this is kind of interesting as well. You know, the reason why the federal government transfers money for job training now . . . And I'm sure you would remember this, Ms. Sproule. But when the federal government downloaded essentially onto the provinces the responsibility for delivery of these programs, that was in the 1995 budget I believe when they, you know, kind of the seminal Martin budget but they had downloaded onto provinces a lot of these functions, and job training was one of them.

So the deal that they did was when they got out of the job training field, they committed to transferring the resources they were spending to provincial governments to deliver the same services, with the undertaking that they would continue to increase or continue to fund at the level that they were at that time. And that never . . . I think you would find every province in Canada that would say that that commitment was never really lived up to because provinces are spending, you know, significant amounts of money over and above what would have been the trajectory the federal spending was on at that time. So that's the historical background as to why you have provinces that are, you know, receiving these federal transfers because the feds used to do this and they downloaded it onto us and said, you guys top up whatever you need to top up.

**Ms. Sproule:** — All right. Would you say historically . . . I mean it's now about a 50/50 funding arrangement. Has that increased since '95 or would it have been 100 per cent in '95 or is that . . . If you don't have that answer . . .

**Hon. Mr. Harrison:** — Alastair can take that.

**Mr. MacFadden:** — In 1998, Saskatchewan signed its first Labour Market Development Agreement with the Government of Canada. In signing that agreement, we assumed responsibility for employment services and training for people that were receiving employment insurance. That combined those activities with what the province was already doing, which was providing services for non-EI [employment insurance] job seekers.

The province continues to deliver those same services through one combined location so the service relationship with Saskatchewan residents is really independent of your source of income. If you're looking for work, you come to one office, and 20 years ago we weren't doing that. So it's helped to streamline

the practices and resulted in some efficiencies.

What has changed over time is the availability for employment insurance benefits in Canada, and we've seen the eligibility requirements adjusted where in some parts of Canada it may be easier to access EI than it is in others. What that means is that a Saskatchewan resident's opportunity to participate in LMDA [labour market development agreement]-funded programs and services really depends on their opportunity to access EI.

We were making these kinds of observations in our work with the Government of Canada over the last five years. When we amended our labour market transfer agreements last year, that was a key observation from Saskatchewan, that eligibility for EI is constraining people's opportunities for the programs and services that they need. When we renewed the new LMDA agreement, they expanded the eligibility for those programs and services so that people who contribute to the EI fund for a minimum amount over a certain number of years could have eligibility for those programs and services.

That's a major step forward because in our view the contributors to the EI fund are also the shareholders of the EI fund, and by having that kind of flexibility, it secures a better return on investment for the workers and employers who pay into the employment insurance system. So that is an advance.

What has also happened in the last year is, by working with the Government of Canada, we've also been able to sign an agreement that adds a further increment to those LMDA dollars to support workers and regions that been impacted by some of the trade disputes that are going on, so softwood lumber, for example, or steel and aluminum tariffs. We've seen a small increment to our LMDA funding this year and a small amount last year as well. But it affords the province a bit more opportunity to absorb the pressure that can happen when workers are seeking upskilling training opportunities or new jobs as a result of some of those trade disputes.

**Ms. Sproule:** — Thank you. So the incremental dollars this year basically is just steel and softwood, and that would be the transitional employment training?

**Mr. MacFadden:** — That's a separate agreement. So over and above the base LMDA agreement.

**Ms. Sproule:** — Yes.

**Mr. MacFadden:** — But as I said, when we renewed the LMDA, that core agreement, last year, and the minister pointed out we were able to negotiate a slightly better and stronger investment for Saskatchewan. So over the next six years, Saskatchewan employers will see what amounts to nearly half a billion dollars in revenue to support programs and services.

**Ms. Sproule:** — I'm just thinking of trade disputes and, as you know, canola is a big issue right now, so that may affect a number of workers on farms. Is this something you would go back to the table with the feds if jobs started being affected by these trade wars?

**Hon. Mr. Harrison:** — No, it's a good question. And I'm sure we'll explore this a bit more in the Trade and Export

Development estimates, but I would like to address it now too. And it was a valid, valid observation. We are working hard with the federal government and, you know, working in concert with the federal government in trying to address this particular issue, which is a very challenging one.

And Minister Marit and I met with Minister Carr and Minister Bibeau on Friday last week, and the Premier met with them as well. We had a . . . And the Deputy Premier as well. We had a very good discussion. I've worked with Minister Carr on many files over the last number of years and have a very good personal relationship with him.

So you know, at this point, you know, Canada's engaging with China as best they can, given China's difficulty to engage with. I mean you need to have a partner to try and work through these. The Chinese have indicated that this is a, you know, a sanitary, phytosanitary issue. If it's an SPS [sanitary and phytosanitary] issue, well we can address that. But we need to see what that is. And we're still waiting for a submission from the Chinese customs agency as to what the particulars of that issue are. You know, we're hoping that we're going get that in the very near future.

I think Minister Bibeau announced yesterday that there would be a high-level technical and scientific delegation going to China as soon as they possibly could. There are some requirements for that to happen though, including the issuance of visas by the Chinese government.

So we asked for and received the commitment from the national government when we met on Friday that Saskatchewan will be a part of that. And we're going to contribute our expertise through senior officials. The University of Saskatchewan committed to whatever resources necessary to deal with the scientific element as well if necessary, which was very welcome. We appreciated that from President Stoicheff.

So you know, I would say that you have an effort right now nationally to engage at the scientific and technical level and, if it's clear that that's not the issue, then immediately following that at the political and diplomatic level. You know, clearly there, you know, might be other issues in play in all of this.

[18:30]

And you know, it's something though that I would say we are taking very seriously because, you know, we have producers right now making decisions as to what they're going to be seeding and conceivably could have seed going into the ground in the next couple of weeks, depending on the weather we get in at least the southern part of the province. So you know, we need to have as much clarity as we could possibly have.

You know, we've made some calls for some of the other elements which have been well reported. I won't go into all of them, but I would just say that we're highly engaged in that. And you know, we're hopeful that we're not going to see jobs impacted, but I mean if there are, we're going to be looking at every option into the future.

**Ms. Sproule:** — Thank you for that. I appreciate this is more a question for trade estimates. Did you want to just . . .

**Mr. MacFadden:** — Yes, just some of the comments from Minister Harrison in terms of the trade disputes and the context. It has been important for Saskatchewan to be vigilant and proactive in our efforts to support workers in vulnerable occupations and industries. I say that because, although we did have some top-ups for steel and aluminum and for forestry, and there's also a third top-up that's linked with seasonal workers, they're not timely. So I'll share with you some of those details.

On October 5th of 2018, the Government of Canada shared the details of LMDA top-ups that Saskatchewan would receive for workers in the steel and aluminum industry, in forestry, and for seasonal workers. In October, they announced that that funding would be available for 2018-19 and for 2019-20. It wasn't until the fourth quarter of '19-20 that agreements were signed. For steel and aluminum workers, Saskatchewan will receive 709,000 in 2018-19 with the intent to provide workers in steel and aluminum industries who've been displaced, either directly or indirectly, with training and employment supports.

The minister points out that these kinds of investments by the national government are made in a way that's driven by an allocation formula. In the case of steel and aluminum, that allocation was for a total of 25 million across the country that was delivered proportionately to provinces and territories based on federal estimates of the direct and indirect employment in steel and aluminum. Okay, so that's just steel and aluminum.

On forestry workers, Saskatchewan will receive \$500,000 for 2018-19. Similarly though, it's to provide workers who've been displaced in forestry, again either directly or indirectly, with training and employment supports. That was from a total national allocation of \$30 million. It was allocated based on the direct share of employment in the forestry sector, but the allocation formula in this case was adjusted to include a floor of \$500,000 for all provinces and territories regardless of forestry employment numbers. So this is why we need to be vigilant and look out for Saskatchewan's workforce.

In the case of seasonal workers, Saskatchewan will receive \$353,000 or just over in both '18-19 and in '19-20 to support seasonal workers. They have a specific definition of that federally. The total national allocation for seasonal workers was \$41 million divided evenly over two years. ESDC created a new formula to determine the PT [provincial-territorial] allocations for those years, and it's based on employment insurance data.

Their definition of a seasonal worker is essentially someone who's receiving employment insurance benefits whose benefit period expires before their seasonal job starts over. They were finding that there were people with gaps in benefits, and so they created this top-up to help to bridge that gap. Very different than the examples in forestry, in steel, and aluminum, but again further evidence of the need for Saskatchewan to be proactive and vigilant in looking out for the interests of Saskatchewan workers.

**Hon. Mr. Harrison:** — Yes and I would add to that as well. So you layer on that degree of complexity on top of the already complex EI eligibility system, which is predicated on different standards and different eligibility periods and different numbers of weeks that you can collect for based on region, which is highly arbitrary. And you know, I won't get into all the reasons why I

think that is, but I think we know why some of those reasons exist. So you kind of add that on top of that and you end up with a system that is highly complicated and really not entirely rational.

So that's why we . . . You know, on occasion it takes us years to move the ball, but we have been consistent in making sure that every time we have the opportunity that we put on the record what our concerns are and why we think that Saskatchewan should be . . . or that the criteria should be amended to better reflect what we think is a rational and fair system, that we treat all provinces fairly.

**Ms. Sproule:** — The old federal-provincial relationship, isn't it? In spades. That's my first question. Now I'm going to move on to my next one. Still on (IC01). In terms of the capital asset acquisition, there's one identified for \$2.75 million. Can you share with the committee what that's for?

**Hon. Mr. Harrison:** — That's the computer system. But actually maybe we can have an official speak in some details on that because it's a fairly major piece of work and an important piece of work as well.

**Mr. MacFadden:** — Okay. Maybe I can start and then Denise, if you can add some of the details. When we sign new transfer agreements with the Government of Canada, what was an important point for the Government of Saskatchewan was that we negotiate administrative responsibilities that were streamlined. As the minister pointed out, previously Saskatchewan, just like other provinces and territories, had a number of labour market transfer agreements with the Government of Canada. It was our view that all of those agreements had the same purpose and intent. They happened to be aimed at different target groups.

So we felt that it was important in pursuing a new, or the evolution of a new agreement, that we have a common performance measurement strategy. We would define success in the same way and that we would tailor the programs and services to address the obstacles that different client groups face.

As Minister Harrison pointed out, the new Workforce Development Agreement combines three former agreements: one called the Targeted Initiative for Older Workers, one called the Labour Market Agreement for Persons with Disabilities, and another one called the Canada Job Fund. All of them had different reporting requirements. All of them had different eligibility criteria. So it was really important to Saskatchewan to streamline that administrative burden and make sure that we were focused on results and programs and services for citizens.

In pursuing that renewal, we did achieve that success. We found good alignment with provincial and territorial counterparts. The federal government worked alongside jurisdictions to come up with a common performance measurement strategy, but it has meant a new reporting regime. And it meant that the technological instrument that was invented 20 years ago — really a generation ago — to support the administration of our programs, had really outlived its end-of-life.

And so the MAPS project, as we've been calling it by acronym, is really meant to support that renewal of programs and services

and includes features that the minister highlighted in his opening remarks, such as self-service, use of mobile technologies, and so on.

Denise Haas and her team have been leading the development of this work. It's going to support the administration of contracts with third parties, including reporting opportunities for third parties to report directly. It will support the delivery of programs and services, self-service options for individuals, case management for individuals that we're assisting through training and through employment, and many of those features are of interest to other ministries in government. So it's important that we take this opportunity to leverage the tool, to extend its application to other, other ministries. Denise, did you want to add anything more to that?

**Ms. Haas:** — Maybe. You've done a very good job, Alastair. The only other thing that I would just add to that is that you asked the question about the 2.75. So in the budget for MAPS, the modernization of agreements, programs and services, in '19-20 we have a total of 3.8 of which . . . When you develop an IT system, some of it is capitalized and some is expensed. Some of the work is expensed. So in '19-20 there's 2.75 million which is capital, which will be amortized once it's put into operation. And then there's the 1.13 million that's just an expense on the development of the system.

**Ms. Sproule:** — Are you hoping that this MAPS will be completed by the end of this new fiscal year, or will it extend beyond that?

**Ms. Haas:** — It will extend another year, and depending on what we decide to do with OASIS [opportunity, acceptance, support, invitation, and safe], perhaps even into a year and a half. Yes.

**Ms. Sproule:** — Got to love those acronyms. They're everywhere in government. All right, thank you for that. Subvote (IC02), which is the immigration, employment and career development, how many employees are currently employed in that subvote? Do you have that number handy?

**Hon. Mr. Harrison:** — We will. We'll find it here.

**Ms. Sproule:** — Sure. Just I guess while you're looking for that, I notice this number is shrinking, and particularly on the salary side, by over a million dollars. So I'm just wondering what the adjustments in salaries will be this year on that subvote.

**Hon. Mr. Harrison:** — Maybe I'll ask Denise to explain.

**Ms. Haas:** — Okay. So I believe that your question was around the change in the budget and then also around FTEs. So the change in the budget, first off, the majority of that change is primarily due to a realignment that we are doing within the ministry, which puts all of the programs and services for job seekers in this division, or this subvote, and ones for employers more in the (IC03). So the majority of the change, almost entirely all of the change is transferring some of that work so that we can provide better client service and house them in the same divisions. So, Alastair, did you want to say more on that?

**Hon. Mr. Harrison:** — I can speak in addition. Denise is exactly right. I mean of the . . . I think what you're looking at, the



\$1.5 million reduction in (IC02), nearly 1.3 of that is just transferring the Job Grant from (IC02) to (IC03). So that's the vast majority. There's about \$350,000 in addition to that that was transferred from national Job Bank, being in that subvote, to the (IC03) subvote. So that accounts for all of it.

**Ms. Sproule:** — Back before you were a separate ministry, there was a line item for immigration in a number of years leading up to this, Advanced Ed and then Economy. And the number has changed now because it was . . . You know, I'm looking at . . . Say '15-16 it was 8.8 million; in '16-17 it was 7.9 million. But we don't have that number anymore. It seems to have been melded into this larger vote. And so is there a specific number for immigration within that subvote?

**Hon. Mr. Harrison:** — There is, yes. There's a separate line item under (IC04) and immigration is 7.743 million.

**Ms. Sproule:** — Okay. So immigration is in (IC04), and it's not in immigration.

**Hon. Mr. Harrison:** — Yes.

**Ms. Sproule:** — Can you sort of help me with that?

**Mr. MacFadden:** — I can help with that. What you're seeing largely expressed in some of the votes that you've raised already is the administrative subvotes that are linked with some of the divisions and the structure in the ministry.

So to be clear, there's three different I suppose customer groups that immigration and career training serves. There's the internal customer, so the corporate services division that Denise leads. They provide shared services to Immigration and Career Training, Trade and Export Development, as well as Energy and Resources. So they have to have that certain capacity. The immigration employment and career development division is focused on job seekers, students, including newcomers. And training and employer services has those programs and services that are aimed at employers and industry as a customer group.

It's through the work of those three divisions that the ministry aims to achieve its mandate, but the structure is specifically designed around the audience that we serve. We've tried to specialize in that way. And similarly, when we work with our staff and support their specialization, we expect better results.

**Ms. Sproule:** — So the labour market programs (IC04) is sort of the net result of the work that those other three votes are doing. And that's the program delivery side? Would that be . . .

**Mr. MacFadden:** — Those are the programs that are managed by the divisions.

**Ms. Sproule:** — So would the immigration program on (IC04) be managed by (IC02) staff? Is that how that works?

[18:45]

**Mr. MacFadden:** — For the most part in that case, yes.

**Ms. Sproule:** — Yes, I appreciate the generalizations that are needed at this level, but that's good. Okay, then back to my

question about FTEs [full-time equivalent], were you able to find that number? I would ask the same for training and employer services.

**Hon. Mr. Harrison:** — So the utilization number is how we track this. So we're at 160 utilization, although there were 22 transferred to (IC03) with the Job Grant and Job Bank. And there were four new added. Is that correct? . . . [inaudible interjection] . . . Yes, but in (IC02) there were four new added in immigration. Yes.

**Ms. Sproule:** — I don't need absolute numbers because I know it's a shifting workforce for sure. And then (IC03)? Do you have a quick number for that or generalized?

**Hon. Mr. Harrison:** — We do. See (IC03) shows a significant increase in utilization. So it went from 29 last year to 60 this year, but it's because of the transfers from (IC02) for the Job Grant and Job Bank oversight.

**Ms. Sproule:** — All right, thank you. Just moving on to (IC04) now, maybe we could talk about some of these programs. The essential skills, I think, used to be called adult basic education. Is that correct?

**Hon. Mr. Harrison:** — Yes, we still kind of, we still refer to it as that.

**Ms. Sproule:** — Yes, the old name.

**Hon. Mr. Harrison:** — Yes.

**Ms. Sproule:** — I know last year you discussed a little bit about on-reserve and off-reserve indigenous populations, and that's one of your goals. So I guess, could you share with the committee, and this would be an estimate of course, how much you fund, how much money went into on-reserve adult basic education in the last fiscal year? I don't know if you have those numbers.

**Hon. Mr. Harrison:** — Just give me a second, and I'll get it. Right, so out of a total budget of 23.9 million, 5.2 million is spent on-reserve, on First Nations.

**Ms. Sproule:** — And how many reserves does that service?

**Mr. MacFadden:** — The funding is allocated to institutions based on demand, and so it will depend on the specific community and the region and needs. When we're making investments with the regional college system, we're encouraging them to be where the clients are. And in addition to what happens on-reserve, we are supporting essential skills and adult basic education off of reserve with institutions like the Indian Institute of Technologies as well.

We are seeing important results from those investments on- and off-reserve. The minister pointed out in his remarks that we've seen employment growth of more than 28 per cent since 2007 for our indigenous population.

**Ms. Sproule:** — Is there an institution in the town of Meadow Lake, Mr. Minister, where they do on-reserve ABE [adult basic education] training?

**Hon. Mr. Harrison:** — It's a good question. I'm not sure if we deliver it on-reserve because that would be Flying Dust, which is the nearby First Nation. I think we deliver the essential skills programming through North West College. And there would be funding — I'm not sure if it'd be for essential skills — but also through SIIT [Saskatchewan Indian Institute of Technologies] which is located in Meadow Lake. But it would be North West College, I believe.

**Ms. Sproule:** — Yes, when I look at Public Accounts from '17-18, North West College got 2.5 million for ABE. So there wouldn't be any on-reserve . . . I don't see any payments to First Nations. Would you make the payments directly to the First Nations on the on-reserve . . . Who gets the money?

**Mr. MacFadden:** — I'm glad you brought that up. The funding goes to the delivery institutions themselves. So if you're talking about the northwest part of the province, North West College or SIIT could be the delivery partner on reserve. So the funding goes to the institution and they make those kinds of program choices.

**Hon. Mr. Harrison:** — And just kind of understanding how Meadow Lake is laid out, so SIIT isn't on the First Nation, but reserve land goes right up to the institution. So Flying Dust has First Nation land just north of Highway 55, which is basically, it's a part of the community, right? In Meadow, people don't really differentiate even really between the First Nation and the city. People wouldn't even know what is reserve land and city land, so yes.

**Ms. Sproule:** — Yes. I actually spend a lot of time . . . [inaudible].

**Hon. Mr. Harrison:** — I know you do. I came to your concert, the last one in Meadow.

**Ms. Sproule:** — That's right. That's right. Yes, that's an interesting history, Flying Dust with Meadow Lake. Okay, so going back to the programs then, did any First Nations get money directly or did it all go through the colleges?

**Mr. MacFadden:** — We provide training and essential skills funding to the institutions themselves.

**Ms. Sproule:** — So I guess in terms of indigenous learners, I think you said last year it's about 60 per cent of the entire funding envelope. So the total ABE envelope is essential skills. I mean it's that 24 million, right? Okay. Thank you.

Now provincial training allowance, that's further down. You indicated last year that some of that was being allocated for off-reserve indigenous learners. And I guess in terms of ABE for off-reserve indigenous learners, what is the allocations? Like are there specific targets for off-reserve indigenous learners in those two programs?

**Mr. MacFadden:** — No, those programs would see a high volume of demand from the indigenous population, which would be linked to school completion rates. But there isn't a dedicated allocation. What we're trying to do is make responsive investments so that the institutions themselves can adapt to the needs in the local community.

**Ms. Sproule:** — I guess for the provincial training allowance, and then there's also the apprenticeship training allowance, I think you said almost all of it is used for living away from home, so learners from other centres coming to the bigger centres to take their apprenticeship training. I think you said last year that there's a disproportionate number of those being indigenous learners. Now I'm just wondering what you meant by disproportionate.

**Mr. MacFadden:** — In terms of the share of the population that's indigenous compared to the share of the population that participates in that program, we're seeing a disproportionate participation rate.

Now the provincial training allowance is an income support for individuals and families where the head of household is engaged in eligible either essential skills training or occupational skills training. When programming is available on reserve, the provincial training allowance is not available. That's because the Government of Canada supports income support on reserve.

So when you're talking about provincial training allowance, it's strictly for programs off reserve. And in addition it is for individuals and households that require the income support. So not all participants are receiving PTA [provincial training allowance].

**Ms. Sproule:** — I note that it is actually going down by over a million dollars this year. Is that because of the demand you mentioned earlier or what's causing that?

**Hon. Mr. Harrison:** — Well there would be a variety of factors that play into the demand on PTA that have to do with a host of factors around completion rates. And Alastair can maybe speak to some of those details, but it's quite a complicated explanation.

But I think a take-away folks should have is that those who are participating in essential skills and need PTA and are eligible will get it. It's not that there's a cap on the program. Anybody who is eligible will have that program in play. So there is a high degree of complexity around it though. So, Alastair, maybe you want to speak to some of that.

**Mr. MacFadden:** — Well the key change is the result of underutilization of the provincial training allowance. And so the draw on that budget depends in part on the participation in the program, but also the household composition. And one of the trends that's being observed over time is that we are seeing more people without children than we might have seen in the past. That means that the average benefit in the provincial training allowance is lower than it might have been for households that had children.

**Hon. Mr. Harrison:** — And so you have these trends that develop over time. And we've tried to forecast, you know, the year in advance as to what the allocation would be. In the last couple of years, or I would say historically, we've generally been significantly higher, as far as our allocation, than ended up being utilized in any given year. So we've changed, the last two years we've tried to again change some of the forecasting and it's, you know, revised downwards. But it's purely predicated on utilization of the program, not on the fact that we're keeping anybody from accessing a program that would need it.

**Ms. Sproule:** — Yes, I've got numbers going back to 2014: '13-14 it was over 30 million and kind of hung around over 30 million for the next three or four years. And then it looks like it dropped to 28 million in '17-18, so now it's down to 26. So that's the trend, I guess.

**Hon. Mr. Harrison:** — Yes. It's part of a trend. And there was a bit of a change too in how we . . . We tried to standardize how the essential skills programs work as well across the province because you had a fairly significant variation in different areas as to the length of the program. For instance, some varied by — how long? — 20 to 30 days, depending. So we've tried to standardize, and we have standardized the length of the program. And all of these things have had an impact, along with the kind of changing demographic reality of those accessing essential skills training that have all come together to impact on the overall dollar value of the PTA.

**Ms. Sproule:** — Thanks. I see we asked these questions last year as well, but . . .

**Hon. Mr. Harrison:** — No, they're good questions.

**Ms. Sproule:** — It's interesting. Just talking about unemployment rates now, for Aboriginal people off reserve in Saskatchewan was, in February 2015, it was 9.4. Today it's 14.5, so up basically 5 per cent.

The Métis demographic as well, I think the unemployment rate is . . . yes, for Métis demographics. And the unemployment rate for non-Aboriginals, as you know, was 4.9 in 2015; today it's 4.2. So what sort of work is your ministry doing to lower those high unemployment rates for Aboriginal people, both you know, First Nations and obviously Métis are off reserve?

**Hon. Mr. Harrison:** — Yes. I mean, it's something that's, you know, important and something that we take very seriously and spend a significant amount of time and effort as a ministry in working to address and bring those rates down. And I would say, in a historical context, we've been quite successful in driving the rate down. It's still too high I think, but we would all, all agree with that.

And you know, in order to bring that rate down, we've worked hard. Adult basic education is a very good example though of how are we going to, in the long term, drive this unemployment rate down to a commensurate position with what you would find amongst those non-First Nation, or even newcomers, you know, for example. And you know, I think ultimately the long-term answer in this is education. And that means making sure that individuals are able to participate in the labour market and are able to advance in the labour market and stay in the labour market.

And I think the way that we're going to be successful in that is ensuring that having the basic skills to enter the labour market for those that aren't there, those opportunities are going to exist in a way that they can realistically be accessed by folks. So that's why we're providing on-reserve, essential skills training for instance, right? And that can be from, you know, the kind of basic workplace skills to additional training through three- and four-level ABE.

[19:00]

So you know, that's kind of a part of the answer. Part of the answer is specific training for opportunities. So we, you know, spend a significant amount of resources on training, for example. You know, I know the North decently well with where our riding is, you know. Significant resources in training for forestry-specific opportunities, for example — right? — and have had very significant and real advances made. NorSask is a great example. Meadow Lake Tribal Council, who own NorSask, just acquired actually L&M forest products from Glaslyn too, which is a great story. I wish it had been, you know, covered in a more comprehensive way by the media. There wasn't a whole lot of — outside of the Northwest — attention paid, but it was a very significant acquisition by MLTC [Meadow Lake Tribal Council] which is going to have a very positive impact not just for MLTC but for the entire Northwest.

I mean this provides a significant amount of stability in the forestry sector. We worked to transfer the forest management agreement that L&M had held to MLTC as well. And Mistik manages all of these now. But you know, putting in place the opportunities and training opportunities for First Nation people from the Northwest to take advantage of these opportunities. And if you went out to NorSask and toured the mill, I mean it's a high proportion of the workforce is Aboriginal, indigenous. If you went into the bush, I mean a high, very high proportion of the workforce is indigenous.

So this is how we're going to ultimately make advances. And you know, I'd be the first to say, I mean the rates are still too high, and they are . . . [inaudible] . . . too high, but that's why we're focusing on real-world training, not just for the sake of training, but real-world training that's going to be relevant and applicable for indigenous learners to enter the workforce or stay in the workforce or move up the ladder in the workforce.

**Ms. Sproule:** — That ties into another question I wanted to ask and it was the move of the labour market training from Advanced Education to this new portfolio. I guess it was in Economy first and now is in your separate ministry. Was that the kind of thinking about these career training programs or labour market programs is they're more tied to Trade and Economy than they are to Advanced Education? Or what was the thinking? I don't know if you can share that.

**Hon. Mr. Harrison:** — Well when that machinery of government redesign had been done, I wasn't there for the thinking around it, but we transferred labour market development from Advanced Ed. That would have been in 2012, I think, that that happened, you know, and I'm hesitant to speculate on why. But I don't think that your view would be far off as far as having that lens from the perspective of the Ministry of the Economy at that point put onto priorities for labour market training.

**Mr. MacFadden** — One thing that's been an important area of focus for Immigration and Career Training in its first year is to speak to the training agenda as being focused on employment and the economy. So we describe employers and industry as the customer of the training system, and that the graduates are that high-quality product.

We think that it's important to recognize that the training

investments that we're making need to be responsive to the needs of that employer customer so that the outcomes include not just graduation but employment. We want people to find their path to a career future in Saskatchewan.

When it comes to some of our indigenous training programming, I could point to a couple of examples from recent years. We've yet to finalize the school year for 2018-19, but if I could give you a couple of examples in some of our work with industry.

We've been doing work with Tourism Saskatchewan on their ready-to-work tourism and hospitality program for a number of years. In 2017-18 there were 137 people that were trained; 81 of those individuals, 64 per cent, had employment by the end of the program.

In our work with SIIT, we support career centres at some of their campuses. Their career centres in Creighton and La Ronge saw 942 placements of their students and clients, of which a third of them found their way to employment in that year. In Meadow Lake and Prince Albert where there's additional services for northerners, there were over 1,700 placements at the career centre at SIIT, of which more than 45 per cent of them found jobs in that calendar year.

As the minister points out, it's the training agenda that's been the most important focus so that people are equipped to compete for jobs. What we are also doing is strategically aligning ourselves with organizations that also receive federal funding through labour market transfer agreements.

So we described some of the transfers to the Government of Saskatchewan, but the Gabriel Dumont Institute receives a labour market transfer agreement as well from the Government of Canada, and so does the Saskatchewan Indian Training Assessment Group.

We work with those organizations as sister organizations to plan for Saskatchewan's labour force and our labour market. Saskatchewan was the first province to sit down with the Government of Canada, with those sister organizations, to talk about our plan for labour market development. In other jurisdictions or other provinces, it's more common for entities to plan separately and to work separately with the Government of Canada.

So in addition to the training investments, we've got a strategic alignment and focused commitment to work with those organizations.

**Ms. Sproule:** — Speaking of jobs in the North, it reminded me about Cameco mine shutting down and job transition, and also I think there was an article recently from the mayor of Estevan talking about transition when it comes to coal. You know, the federal regs are here. I know SaskPower hasn't fully decided yet how they're going to go, but for . . . I'm just trying to find the article so I can refer to it.

In terms of transitional training for jobs that are being affected by climate change, for example — and Cameco is not an example of that — but industries that come, you know, come to different ends in some ways or . . . Anyways, I just wondered. I've got to find the article, but if you could just comment on how you are

looking at transitional training for workers that lose their job.

**Hon. Mr. Harrison:** — Yes. No, and it's a good question. And I'll maybe ask one of our officials to talk about some of the work being done in the South. But I can speak pretty specifically to the challenge we have in the uranium industry in the North, which is a deeply frustrating one for me.

I've spoken publicly about this and I have to be a bit careful about the details, since there is a degree of market sensitivity and some other elements around this that make it difficult to be as blunt as I would like to be about some of this. But I've been very frustrated with the federal government on the relationships and unilateral changes that could be made by them that would have prevented this issue from occurring in the first place.

I can tell you I spent half an hour on the phone with Minister Freeland a couple of days before one of these highly significant announcements were made, understanding what was coming and being very, very blunt with what needed to happen on their end that could fix and prevent that from happening, to which they were entirely unresponsive, which is very frustrating considering the fact that they knew exactly what the impact would be on hundreds of people. And yet they refused to do what I think would be seen by any reasonable person as something that would have been very straightforward.

So there are some broader market access issues that they can work on as well, but there are some very specific things that they could do that would have fixed that, and could still do that. So you know, we're going to continue to make the case very, very assertively, and every time we speak to them, this is something I raise with all of them. So we're hopeful that in the long term, I mean the overall future for uranium and nuclear I think is a bright one. You know, clearly there were some significant impacts on the entire sector in the aftermath of Fukushima in 2011. You know, one of the largest buyers, which was Japan, and a couple of the companies responsible for their nuclear program were no longer in the market to purchase uranium.

But I think in the long term there is a very bright future. The Chinese are moving forward with literally dozens of new projects that are going to increase the demand for uranium in a very significant way. You are going to see the Japanese come back online. I think that there's two or three reactors that have been reactivated and they're looking at an incremental restart of their reactor complement, which is again not insignificant for a country that literally has no natural resources so they need nuclear. The alternative for them is coal. I mean this is the reality with a lot of this.

So I mean this is a big part of the answer to emissions reductions globally as well. And I think nuclear is going to be a very important part of that, and I think that's going to be very economically impactful in northern Saskatchewan, which has the world's highest grade and most plentiful uranium deposits. So we have I think a bright future, but at the moment we have a very challenging circumstance which is something that the national government can address and we're going to continue to push them to address it.

**Ms. Sproule:** — I guess more specifically, you know, I was talking about jobs in the North.

**Hon. Mr. Harrison:** — Yes.

**Ms. Sproule:** — Obviously the boom and bust nature of what's happening, based on whatever the market forces are, creates a real problem for the North, I think, more specifically than maybe the southern part of our province, just because of job availability.

**Hon. Mr. Harrison:** — Well I think energy workers would probably disagree with that to a degree. I mean we have an export-dependent province. You know, a high proportion of our produced goods are exported, and that's very much dependent on global market forces which are beyond the control of either our government or the national government, for that matter.

So anyway, I hear what you're saying and we're going to continue to, you know, significantly invest in training opportunities in northern Saskatchewan, and we've done that through Northlands and others. So maybe, Alastair, you want to speak to a bit of this?

**Mr. MacFadden:** — Well to share some of the specific details about activities in the North, what I would point to is about 23 million in investments in post-secondary education, training programs, and employment supports for adult learners who are in the North. The Ministry of Immigration and Career Training's share of that 23 million is about 14 million.

We're working with partners like Service Canada, the post-secondary institutions, employers, First Nations and Métis locals, in order to assist workers that are impacted by some of the economic transformation that's taking place. We also have collaboration under way with the ministries of Energy and Resources and Trade and Export Development, and Crown corporations operating in the North so that we can secure business opportunities and jobs in the region.

Northern Saskatchewan is the one place where we have a labour market committee that includes the training providers, the major employers in the industry sitting down with government. So we're having tripartite discussions to talk about the economic resurgence that's needed in the area, and it's through those planning tables that we're able to coordinate the logistics for more thoughtful and strategic investments in programs and services.

**Ms. Sproule:** — Thank you for that. I'll just share now the quote from Estevan's mayor. This was March 16th. And this is in relation to I think a federal effort which I'm sure you've seen — I just have to get the name of it — the just transition task force. And Estevan . . . So this is a quote from the article: "Estevan's mayor says Saskatchewan communities that depend on coal production need the province and federal government to put aside their differences to work toward a green energy future."

So just any comments you might want to share, Mr. Minister, or deputy minister, on this just transition task force. I think they consulted extensively with coal workers in the southern part of the province. And is there any good things coming out of that, or is that something you think is missing the mark?

**Hon. Mr. Harrison:** — So yes, we had participated, and I think we had been asked for recommendations to participate on that particular task force. Our recommendations for that entity . . .

And sorry, this is SaskPower, so I'm just kind of speaking. I don't have notes on this. This would be probably better put to Minister Duncan. But I think it would be fair to say that the federal government didn't engage with us in a way that we thought would have been appropriate on that. But you know, there have been continuing discussions and continuing work that's being done by SaskPower, working as well with other companies and organizations and municipal governments to find a way forward, and discussions would continue.

But I would say that Minister Duncan could speak probably a lot more specifically to your particular question than I could.

[19:15]

**Ms. Sproule:** — I guess the role of your ministry, though, in terms of transitioning people and giving them the necessary tools they need to make that transition, I'm curious about the work you're doing there.

**Mr. MacFadden:** — We've been working alongside SaskPower, Trade and Export Development, to consider what economic opportunities could unfold in communities like Estevan and Coronach. We're estimating that over 1,300 workers are employed directly in mines and in coal-fired power stations, and that includes the contractors. So when the federal government announced that it would have a just transition task force visit the provinces that would be impacted by some of the federal changes and regulations, we wanted to be there.

And so we did have an analyst that participated on the tour first-hand. What we learned in those discussions from the community leaders, the business leaders, and from the workers themselves was a significant concern for their own job but also for their families and their mortgages and so on.

This is a major transition for the region. The federal budget earmarked \$35 million over five years to be delivered by Western Economic Diversification and the Atlantic Canada Opportunities Agency to support skills development and economic diversification activities in the provinces that are impacted by this transition away from conventional coal-fired electricity generation.

It's important really to point out how Saskatchewan's experience of this is going to be different than Alberta's and Nova Scotia's. The coal that is mined in this province is different than what you would find in Alberta, which means the market is different in Saskatchewan and Alberta. Comparing Saskatchewan workers to those that might be impacted in Nova Scotia, the accessibility of the EI system, which we've already talked about, varies across the country and so access to EI will be different in Nova Scotia than it is in this province.

We've raised these kinds of concerns and made the observations so that what results from the decision around conventional coal is actually something that's tailored to the needs of the different economic regions and microeconomies in Canada rather than treating the four impacted provinces the same way.

The task force report that was just released has yet to receive a response from the Government of Canada, but our expectation is that it considers both the economic development dimensions for

Coronach and Estevan but also the transition for workers.

**Ms. Sproule:** — Thank you for that. I know that Alberta has a plan, but I think what you're saying is that it's a very different scenario than here in Saskatchewan. So you wouldn't be looking at a plan similar to theirs, but it would have to be a made-in-Saskatchewan plan. And of course, SaskPower hasn't decided how they're proceeding in terms of carbon capture and sequestration. So all right, thank you for that. Time is fleeting.

I'm going to move on to . . . This is a letter, Minister Harrison, that I received a copy of. It was written to you on February 11th, 2009, and it was from the Saskatchewan Association of Immigrant Settlement and Integration Agencies. And I don't know if you have that with you. I can . . .

**Hon. Mr. Harrison:** — From 2009?

**Ms. Sproule:** — No, sorry, 2019.

**Hon. Mr. Harrison:** — Oh, 2019. Okay.

**Ms. Sproule:** — Sorry, I don't want to give you a heart attack here.

**Hon. Mr. Harrison:** — I was Municipal Affairs minister then so . . .

**Ms. Sproule:** — February 11th, 2019. And if you recall — I don't know if you do — this is about the resettlement sector for government-assisted refugees. And I don't know if any of your officials deal with this particular letter or not, but I can table it.

**Hon. Mr. Harrison:** — We don't have . . . I'm not sure, I don't have a copy of that. It doesn't appear we have one with us, but we would be happy to get a copy if we could.

**Ms. Sproule:** — Perhaps we could get a copy made and then I'll wait until that gets back and I'll go on from there. I can move on.

**Hon. Mr. Harrison:** — No, I can give a bit of background. This would probably not be surprising since I think I've, you know, spoken to an extent of this on the record as well.

I mean, we've asked the national government with respect to GARs, government-assisted refugees, to be more proactive as far as the funding relationship and also the integration of services with provinces.

**Ms. Sproule:** — You have been very clear about that in many ways.

**Hon. Mr. Harrison:** — Yes, and you know, we've had a degree of frustration. I can say that there's been, at different points, commitments made from the national government that they would be there in a significant and appropriate way that have never materialized. I sat across the table from one particular federal minister who assured not just me but other ministers responsible for immigration that absolutely, the federal government was going to be there, and they were ready to go. And that resulted in nothing so, you know, we've had some . . .

**Ms. Sproule:** — Yes.

**Hon. Mr. Harrison:** — Disagreements.

**Ms. Sproule:** — What percentage of the GARs end up not . . . becoming dependent on social assistance after that federal funding dries up?

**Hon. Mr. Harrison:** — It would depend on the time horizon you were looking at. I think ultimately you find government-assisted refugees over a period of time, a significant period of time — I don't have it right in front of me — that would have a similar economic outcome to economic migrants. But the time horizon is a very different one. So I think there would be . . . it would depend on the point in time you picked. But if you're going just after the one year of federal funding ended, it would be a very . . . it would be a low proportion with economic attachment at that point. Maybe Alastair has the most recent figures.

**Mr. MacFadden:** — Yes, I can share some of the latest information that we have on hand from the federal government. And as you know, they're the ones that are managing resettlement initiatives and allocations to the provinces and territories. The outcomes for government-assisted refugees and privately sponsored refugees are significantly different. I'll give you just some specific examples based on those who arrived in our province in 2013 and the level of income assistance receipt in 2016, okay?

Fifty-four per cent of government-assisted refugees who arrived in 2013 in Saskatchewan were collecting income assistance at some point in 2016. And I would compare that to the privately-sponsored refugees where about 25 per cent who arrived in Saskatchewan in 2013 were collecting income assistance at some point in 2016.

**Ms. Sproule:** — And do you think that is because the privately sponsored refugees had a more comprehensive support system built around them or . . .

**Hon. Mr. Harrison:** — I think there's an element of that. I would say that I think there's probably a number of factors for it. The support system being in place would be one of it. But I think you would find a higher propensity or ability to participate in the labour market for privately sponsored refugees as well. So that would be reflective of education levels, those sort of things that would be . . . You would probably see a differentiation between GARs and PSRs [privately sponsored refugees].

**Ms. Sproule:** — Obviously GARs are, on a humanitarian level, the most vulnerable people in the world, right? And so they are going to bring those burdens with them: lack of English language, PTSD [post-traumatic stress disorder], all kinds of mental health issues that are traumatic, I mean just in terms of the experiences.

Now I know you do focus on employer programs and immigrants. Obviously the SINP is very focused on I think what you would call an economic immigrant. What do you see the role of your ministry in relation to refugees? Is that something that really is part of your programs? Or is that another ministry that, on a humanitarian basis, would look at it differently?

**Hon. Mr. Harrison:** — Well I mean we are focused and, I mean, the agreements we have with third party service providers

wouldn't differentiate between service to economic migrants or through government-assisted refugees. You know, we're providing funding and have that partnership for the provision of those services. I think regardless, maybe we can maybe speak to specific programs that would be relevant in that regard.

But, you know, as far as the SINP, the SINP is a purely economic immigration stream. And that's not necessarily because we've chosen it to be. It's because the federal government has mandated that provincial nominee programs have to be economic migration stream. So they are responsible for the non-economic streams of migration, which would include government-assisted refugees, include family reunification class, for instance, which the province couldn't do even if we had wanted to. We don't have the authority from Immigration Canada to do so.

**Ms. Sproule:** — Let me just stop you right there for one minute because there are rumours going around, and I want to get to the bottom of this. Can Saskatchewan bring in family members?

**Hon. Mr. Harrison:** — No.

**Ms. Sproule:** — That's just absolutely not on.

**Hon. Mr. Harrison:** — Any folks that are watching and have heard rumours to that effect, it is not true. The province cannot, cannot do non-economic migration. Cannot. So it is . . . The national government would not allow us to do a family class in the SINP. Period; full stop; end of story.

**Mr. MacFadden:** — We do in our programs recognize the importance of family connections. We don't have the authority from the Government of Canada, but we do recognize that having family connections in Saskatchewan can support settlement and employment outcomes. So many of our program streams involve a points grid. And so when we're assessing a person's eligibility for nomination through our economic streams, we do recognize family connections within points.

You were asking about the link between the Ministry of Immigration and Career Training and refugee resettlement. I think it's important to recognize that the SINP itself had a 20th anniversary last year, and in that time we've seen the province's work in immigration extend beyond any one ministry. So the success of newcomers, whether they're refugees or economic or otherwise, is really contingent on an all-of-government approach. So by working with Social Services and Health, for instance, Education, we're ensuring that we have a good success rate for newcomers to the province.

What I would point out is that Immigration and Career Training is supporting job seekers and students and workers at different skill levels, from the very highly skilled who are involved in things like apprenticeship training to those who haven't finished high school yet, through our essential skills and literacy programming. We fund language programs.

Our role is to ensure that people make progress towards their career destination. And so we're serving people in a way that responds to their specific status on an employment continuum. Some of the people that we're serving are extremely vulnerable and their obstacles to employment and training are basic, like housing, transportation, child care. We will be helping those

individuals to access supports through other ministries. Settlement gateways provide those services for newcomers in the province.

Career decision making is the next step in people that are choosing their path. Some of our services would include access to qualification recognition if you can't access the occupation you were trained for in your home country. We provide access to training intervention so that people have the skills to compete for jobs. We help people to acquire jobs through our employment services, and there's supports to help people stay employed until later in their careers.

It's not targeted based on demographic groups when it comes to the outcomes that we're aiming for. The interventions themselves are what's tailored because we want to respond to the obstacles that people face.

**Ms. Sproule:** — There's a lot there.

**Hon. Mr. Harrison:** — Just to your question though if I could, Member. So thank you for . . . We got a copy of the letter, and thank you for the LAS [Legislative Assembly Service] for getting us a copy. And I may have . . . I'm not sure if I have seen this yet. I know I will. I'm looking at it right now though.

So essentially the S-A-I-S-I-A organization, I think SAISIA [Saskatchewan Association of Immigrant Settlement and Integration Agencies] colloquially, have indicated, as far as GAR capacity within the province, a 6 to 800 range. Historically I think we have been around 600 government-assisted refugees aside from the influx of Syrian refugees in '15-16.

Okay. I've just been informed by officials that there is a conference call with the federal government that's already been scheduled for tomorrow, so officials are ahead of me on this one.

[19:30]

But you know, one of the challenges actually in working on this entire area with the national government is that they don't even tell us when GARs are settled in particular areas. So we often are finding out about these settlements in roundabout ways, which is a challenge despite, I think, our continued assertions that there needs to be a more systematic way of dealing with this because of the fact that we want to provide the best possible experience and best possible outcomes that we can for newcomers. So you know, as far as the number indicated, we can find the exact number, but it depends, because it's not up to us to actually assign GARs, government-assisted refugees, a number. It's entirely up to the national government as to how many are allocated.

**Ms. Sproule:** — I think that the point of this letter is that the federal government . . . And you say national government, but why do you . . .

**Hon. Mr. Harrison:** — It actually is the national government technically.

**Ms. Sproule:** — Instead of federal government?

**Hon. Mr. Harrison:** — It's not. That's the incorrect term. It's actually the national government.

**Ms. Sproule:** — I've noticed you doing that lately. Anyways.

**Hon. Mr. Harrison:** — That's the correct term.

**Ms. Sproule:** — The federal GAR admission target is to increase to 9,300 for 2019, so I think they have decided they're going to increase it by 1,800. So I think the letter is saying, will Saskatchewan up its average?

**Hon. Mr. Harrison:** — Again it's not up to us, right? I mean the federal government, the national government determine what the actual allocation is. So we've historically been one of the highest proportional recipients of government-assisted refugees. And in fact with the Syrian refugees, we were the highest province of any in Canada as far as the per capita allocation of government-assisted refugees. And we had a very low number of privately sponsored; I think there were less than a dozen. And there were well over, I think, 1,100 or more government-assisted that year, of just Syrians.

**Ms. Sproule:** — You've been very clear about that in previous estimates so I had a chance to read some of your comments on that. So I guess what I'm hearing is that responsibility for refugees is actually spread across a number of ministries in that sense, especially once they are no longer sponsored by the federal government or covered by the federal government. Social services, the education system obviously takes a big role in that. I would suppose mental health, health facilities.

So in terms of being called Immigration and Career Training, I just want to make sure I understand that the refugee side of immigration is more a cross-government responsibility. Is that how your ministry would see it?

**Hon. Mr. Harrison:** — Well I mean, as far as the refugee component, I mean it's a national responsibility in that they have an entirely separate department set up to manage it, which, you know, we still call CIC [Citizenship and Immigration Canada], but it's . . . which used to be Citizenship and Immigration Canada, which is now immigration and refugees Canada or some. . . Yes. So they have the entire authority for selecting, admitting, and making initial settlement for government-assisted refugees. Like I said, this isn't just us that would be, you know, putting forward concerns around how that process works because provinces aren't really asked for their opinion on these matters and frankly aren't informed when newcomers are being settled in the province, which is a challenge as far as program delivery.

But you know, after that first year in which the federal government provide the resources, or at least the significant portion of the resources for newly settled refugees, after that one-year period extend is exhausted, then the newcomer would be just like any other permanent resident of the province with the ability to access all of the services that exist here.

**Ms. Sproule:** — Yes, and as you said, 54 per cent are still relying on services. That means 46 per cent have managed to become independent, and I think maybe that's good news in some ways. Could be a higher percentage still relying on government services.

In the letter that I presented though, the question was, they're urging the Saskatchewan government to engage with the IRCC

[Immigration, Refugees and Citizenship Canada] to negotiate for enhanced GARs. And what you're saying is that's not how it works basically.

**Hon. Mr. Harrison:** — Well no, there is no negotiation. The federal government, national government do what they're going to do, and we would welcome more consultation on that. And I hear officials are having a discussion tomorrow with the IRCC and I know they will be advancing that point.

**Ms. Sproule:** — All the best with that, then. I'll turn now to some written questions that one of my colleagues had written last year. She was asking how many applicants were accepted into SINP for a few years. But I'm just wondering, do you have the '18-19 figures yet for that? Or is that still being worked on? I know it's only four days ago.

**Mr. MacFadden:** — We'll have numbers for SINP processing that are based on the calendar year. So the allocation that we receive as a province — and it's true for all nominee programs — is based on the calendar year rather than the fiscal year. And so yes, we do have some of that information.

**Hon. Mr. Harrison:** — And that's why there was always a bit of a challenge as to when they would get the levels numbers out. So they've actually been trying to give some forward guidance on levels into the future, which has been welcome actually. So we were just notified. I kind of alluded to it in question period one day, but we, last week I think, got our allocation for this calendar year, you know, four months late.

But we got our allocation, which was encouraging because we had been asking for our SINP numbers through the different streams that comprise SINP to be increased to 6,000 from 5,750, and we actually got 6,000. I don't think I announced that publicly yet but I guess that's happening right now.

So that's good news. That's good news. It's through a sub-stream of express entry that the additional 250 are being allocated. I think there'll be some continuing discussion with the IRCC precisely as to the details of how that 250 program will work for us. Because I think that they often try and put in place these kind of national solutions which are challenging, considering the nature of the federation and the fact that you have pretty specific issues in different labour markets in different jurisdictions.

So we'll continue to work with them on that 250, but you know, the good news is that we have an increased allocation of 6,000.

**Ms. Sproule:** — Okay. The numbers that I got through written questions in terms of accepted applicants was much higher than 6,000, so I'm not sure if I'm asking the right question here. But the number, for example, in '17-18 that we got was 10,000 people were accepted to the SINP. But are you telling me you can only allow 5,750 to receive . . .

**Hon. Mr. Harrison:** — No. So the nominations under . . . We provide a nomination for a specific individual. So the multiplier is about 2.1. So it's spouses and children. So you know, whatever the SINP number is, and there's been variation in different points over the years, and I suspect we'll see different variations into the future. But yes, it's about a 2.1 multiplier.



**Mr. MacFadden:** — We had in total for the calendar year 2018, we nominated 4,733 individuals or households. That's 30 per cent higher than in 2017. Of those, 4,700 were skilled workers, 21 were entrepreneurs, and there were 12 farmers. With family members included, so that's spouses and children, we're estimating that that 4,733 translates into about 12,000 people immigrating to Saskatchewan.

**Ms. Sproule:** — Calendar year 2018? Correct? That leads me into the farmer category, I guess. Wouldn't you say . . . Is 12 about the average number for farmer applicants?

**Hon. Mr. Harrison:** — Yes, I think it would be fair to say that that would be close to the number. We've been between . . . What's the highest, 50? Yes, 58. So, yes.

**Ms. Sproule:** — Which leads me to the Saskatchewan entrepreneur trust fund, which I've been trying to figure out and I know the auditor tried to help me understand it. But I think in '17-18 it was sitting at \$107 million. So that's not just the farmers then. Like what would be the make up of that \$107 million?

**Mr. MacFadden:** — The SINP operated an entrepreneur stream that has changed over time. So the fund that you're referring to is linked with good faith deposits, which were received by entrepreneur applicants at the time of application and nomination. So it was at a dollar value of \$75,000 per nomination. It was held in trust and once it's been determined that that entrepreneur has fulfilled the commitments in their business performance agreement, those funds are released back to the individual. If the business performance agreement is not fulfilled, that money is retained by the province.

**Ms. Sproule:** — Yes, I understand how it operates. Maybe you could share with the committee how much you've retained. How many of those dollars have been retained for failure to meet the obligations?

**Mr. MacFadden:** — I can tell you that the fund, what remains in the fund right now is about \$98 million. For last year . . . We're just getting that number in terms of the amount retained. So the rate of retention or forfeiture, which came from 16 good-faith deposits resulted in \$1.2 million being retained.

**Ms. Sproule:** — 1.2 million has been retained, and that was 16 . . . That's not 16 individuals, is it? I didn't understand what you meant.

**Mr. MacFadden:** — Linked with 16 good-faith deposits.

**Ms. Sproule:** — Deposits, okay. And that was just for last year or is that in total? That's just for last year?

**Ms. Ross:** — That's for 2018-19, yes.

**Ms. Sproule:** — Right. I'm wondering, Mr. Minister, if you could get those numbers for each year.

**Hon. Mr. Harrison:** — We can. I mean, I'll point out . . . We don't . . . We changed the entrepreneur program about four or five years ago. I remember making the announcement. So there's no longer a good-faith deposit component to the entrepreneurship stream under SINP. It's predicated now on essentially investment

in a business and the requirement to operate that business for a prescribed period of time at which point you would be receiving a nomination. So the program was changed five years ago but we can find the data. I don't think we have it here with us right now, but we'll provide that.

**Ms. Sproule:** — Thanks. You'll table it with the committee?

**Hon. Mr. Harrison:** — Yes.

**Ms. Sproule:** — I noticed that the program dropped down to only \$5 million in 2014-15 and then it jumped up again. It had got as high as 40 million, 45 million, then it dropped down to 5 million in '14-15. And then it really jumped up high in '15-16 to 80 million, and then in '16-17 to 103 million, and now I think you said you're around 98 million. But what you're telling me is it's not the \$75,000 deposits anymore that are populating that account. It's the other 300,000 or those types of payments.

**Mr. MacFadden:** — Some of the numbers that you're referring to are from the Legacy program, so where government would have received applications from immigrant entrepreneurs historically. We processed those fully and completed that processing in about October of 2017. So up until that point we would have been operating, at least for a portion of our clients, using those old rules. In the current state, individuals aren't nominated until after they've operated their business in Saskatchewan. The good-faith deposit approach, that former approach, people were being nominated in advance of launching their business, so the good-faith deposit was thought to be an important component. Some nominee programs across the country have maintained that same type of structure and they may have a different or a higher level of deposit. But we've gone away from it entirely because we want to ensure that the businesses launch successfully. That's the criteria for nomination.

[19:45]

**Hon. Mr. Harrison:** — Yes, and you know, Alastair spoke to this. We had a backlog of about 2,000 applications when we changed the criteria for the program in 2014-2015. When we changed that, we had about 2,000 applications or 2,200. So we committed to processing those applications. And it took us a couple of years to get through all of them, but what we put in place was an EOI [expression of interest] model.

We put in place an expression of interest model which was actually replicated in a whole bunch of other provincial nominee programs after that, because it's much more efficient for both the applicant and for the ability of government to process and nominate because you just have a better ability to manage the quality of the applications and process the applications that are high quality. Whereas you know, with the 2,200 that we had backed up, I mean you're dealing with a wide variety of quality, but they're all dealt with in the same way. So the same resources have to be put into an application that's of a much lower quality, and would not be eligible for nomination, as a very high-quality one.

**Ms. Sproule:** — So I understand though the 98 million that are currently in the trust fund, that could be a combination of legacy program folks who still haven't proved their business, or is it a mix of that and the expression of interest model? No. I'm

getting nos.

**Ms. Ross:** — Christa Ross, assistant deputy minister for the immigration, employment and career development division. The 98 million, that fund, it's solely the legacy program. So under the new expression of interest in the new program, we don't require any kind of deposit like that.

So what you're going to see happen over the years, as the legacy programs and those applicants fulfill the terms of their business agreement and come forward to have their good-faith deposit returned, eventually that fund is going to become zero because we're not collecting a deposit. Sorry, except for farmers of course; we still require the \$75,000 deposit from them. So you're going to see the fund eventually shrink significantly.

**Ms. Sproule:** — When I saw it online, it seemed to relate only to farmers. And I thought, boy, that's a lot of farmers that are coming in at \$98 million. And I thought, how is this happening, because you would've heard about it. So that helps me a lot. Thank you for that.

What explains then the leap from 5 million to 80 million in '15-16? Is that just cleaning up the backlog basically?

**Ms. Ross:** — Yes, I think that could be explained by processing efforts and trying to draw down that backlog so we can fully transition to the new program, the expression of interest. So from the year before that to 2015-16, we would have seen a double in the number of nominations that we issued for entrepreneurs that year. So that would explain why you're seeing a spike in the good-faith deposits as well.

**Ms. Sproule:** — Thank you. This has helped me a lot to understand that. I want to raise, before we're finished tonight, a story about a doctor, two doctors. They're a couple in Saskatoon. And this is a family reunification issue, and I really want to share with you this story because it's going to have a significant impact on our health care system. Doctor . . . I won't even say their names, but I can tell you it's a difficult name to pronounce and I don't want to get it wrong.

But he has shared his information with me. He's an ophthalmologist, retinal ophthalmologist, and his wife is a pediatric ophthalmologist. I'm just going to share their story with you. They were recruited, head-hunted as skilled medical professionals and immigrated to Canada in 2002. They've both been practising as surgical physicians in Saskatchewan since 2004. And he's a retinal surgeon and his wife is one of only two pediatric ophthalmologists in our province. They provide exceptional care, vital medical services, and surgical procedures to Saskatchewan residents in need.

But as you know, they have also cultural family responsibilities at home for their parents back in India. Both doctors' parents are aging and require considerable care and attention. And they've been, on occasion, forced to rush to India for family emergencies, leaving hundreds of Saskatchewan patients stranded without the specialist services. And of course it's taking a real toll on them personally, financially, and professionally.

So they have gone through the hoops. They tried the lottery system for many years, were unsuccessful. Now they tried the

new system in January, and 70,000 people called in within 10 minutes, and obviously they weren't successful. So the end result for this couple is that they're going to maybe have to leave Canada and go back to India. So it's a huge loss to our health care system. And I know they're making pleas to the federal government and I certainly encourage them to do that, because I think this is a story that affects Saskatchewan because of the contributions that they've made in our province.

So I don't know what I can ask of you, Mr. Minister, but I think it's definitely, when you are speaking to your colleagues in IRCC, is that it's not just refugees. It's not just temporary foreign workers. These are people that have been living here for almost 20 years. And he was almost in tears, I mean, it just . . . it's heartbreaking. They're living in two worlds, and they were head-hunted. So I don't know. I just want to leave that story with you, and perhaps there is something that you can bring to the federal government.

**Hon. Mr. Harrison:** — Yes, I appreciate that. And I know the specific doctors who you are speaking of. And I won't say their names either, but I know who you're speaking of. So we will, will engage.

**Ms. Sproule:** — A few more minutes. I was meeting with some of the settlement services folks in Prince Albert in February, and they raised a couple concerns. I said, if you could speak to the minister, what you ask him about? And one of the biggest gaps they've identified in training for newcomers — and in particular, I think, the refugees that they're helping to settle — is there's, and I don't understand this very well, but there is a Canadian language benchmarks for language training. And they said, Alberta and BC [British Columbia] have more flexibility in terms of the benchmarks.

But one of the issues they presented was, for example, training in food safety because many people end up working in restaurant industries. But it's only available in the English language, and I believe you have to have either level 4 or level 6. And they felt that, if there was a way to have the food safe training available in their own language, it could get them a job first, and then they could, you know, at least they'd get the food safe certificate. So that was one issue.

So I'll go on to the next one. And that is, most of the training programs are for longer periods of time but they feel that the biggest gap is in short-term vocational training for unemployed people from one to three months. And so it's sort of a transitional phase for a lot of people who are struggling to have just a short-term training and then move on to the longer term training. So I share that with you.

**Hon. Mr. Harrison:** — Yes, and if I could comment on that, you know, the biggest issue with newcomer labour market attachment is language. And there are requirements under, federal requirements for our provincial nominee program for base nominations. There's enhanced language requirements for Express Entry streams. So under the economic migration streams there exist language requirements, which we don't set, but which obviously we adhere to because that's the requirement to continue operating our program.

You know, there are individual employers as far as . . . Because

there are industries if you're working in that have very specific language requirements or workplace language that's used. I mean, you know, some of the words we use around here people would find confusing, but it's because every workplace has a different set of languages. So you find employers that have specific programs. You know, it's a valid point, and it's a challenge even jurisdictionally, because the federal government have language programming that they contract with third party service delivery organizations to provide.

And this would be one of the areas where I would say that, you know, there should be a better alignment of resources between the federal and provincial government. Because I hear what you're saying as far as short-term workplace language requirements versus being able to write poetry or something. I mean, you know, there's a difference there. So I'm not sure if, Alastair, you want to add anything to that.

**Mr. MacFadden:** — I would say that we have worked with employers to secure accommodations for people that speak languages other than English and French. So for example, I can think of an employer in Regina where employees received some of their instruction through a headset. So they were involved in operating a forklift and they had a computer system that told them which rows and racks to pick products from.

That employer had the headset programmed for English and French. We worked with them and encouraged them to include Arabic. It expanded the talent pool they could recruit from, and it meant that people were fully equipped to do their job even though they may not have strong skills in either official language.

**Ms. Sproule:** — Oh, there's so many questions and so little time. I'd like to go back to the written questions that we asked. And we were asking about the number of investigations of employers that your ministry has . . . I just have to find them and I apologize. I'm having trouble locating them. And I know you gave us the number in written questions in terms of . . . Oh, I've got to find it. I had it earlier and now I can't locate it. This is driving me crazy. Going too fast. I guess I'm going to have to move on because I can't find that.

**Hon. Mr. Harrison:** — Well I can speak to this. So I mean we transferred the investigatory function over to Labour Relations in the last budget. So they would speak to the kind of specific investigation component. But what I can say as far as our program SINP, we put a very high priority on program integrity, in making sure that we're doing a good job for those who are applying on the one hand, and also for those who are nominating and who are involved in the entire area of settlement and immigration. So you know, I actually think that this is a pretty important story. It's a pretty important thing to put out there about the priority we do put on program integrity.

So I'm not sure if, Christa, maybe you can . . . You've been responsible for managing a lot of this.

**Ms. Ross:** — Sure. Thanks, Minister Harrison. So in regards to specifically your question though, as the minister pointed out, we did transfer responsibility for *The Foreign Worker Recruitment and Immigration Services Act* a couple years ago, so that responsibility is transferred to Labour Relations and Workplace Safety.

So in our current state, any issues with employers we would be referring and working with our colleagues at LRWS [Labour Relations and Workplace Safety] because, under the legislation that I just mentioned for employers that are recruiting foreign workers, they have to hold a valid certificate of registration which is issued by Labour Relations and Workplace Safety. So any issues with employers, whether it's fraud or a mistreatment, those would be referred to LRWS for further investigation, and with potential consequences and penalties under that legislation.

I think just to speak in broader terms as to program integrity and our approach, the legislation I mentioned was passed in 2013. We were one of the first jurisdictions to pass such legislation and it was, and still is, one of the most comprehensive of its kind because it does regulate employers in a sense, but it also regulates immigration recruiters and consultants.

So again, they have to have a licence issued by LRWS to be able to represent and recruit foreign nationals. And we do have a dedicated team to managing and protecting the program integrity of the SINP and that team is very busy.

And I can, you know, if you're interested in numbers, our folks would mostly be working with potential issues of fraud or misrepresentation. And in 2018-19, although that's only as of January 20th, 2019, there were 510 investigations initiated by our program integrity unit. And last year it was over 1,200 that they had initiated. So again, that's really looking at fraud and potential misrepresentation to the SINP in trying to protect the integrity and viability of the program.

**Ms. Sproule:** — Thank you. And I still haven't located the document but I was more interested . . . I only have one question left so maybe I'll . . . Yes, I'll leave it with that one. Basically there were several hundred investigations and I've had an opportunity to speak to the bill that you're referring. Well the bill's being amended right now and it's before the Assembly. So I thank you for pointing me to Labour on this one.

[20:00]

But there were several hundred investigations and there were no charges that came out of any of them. That was basically the result of the written question. But I'm just wondering, what sort of issues are being identified when there are several hundred investigations and what sort of concerns are employees bringing out that are getting investigated? That being the last question for the night.

**Ms. Ross:** — Sure. So the investigations, the numbers I mentioned, as I said, that's mostly around fraud and misrepresentation, so people trying to apply to the SINP and misrepresenting quite often either their education or their work experience to try and make it fit with program criteria.

What we hear from foreign workers in terms of, you know, whether it's issues with employers or immigration consultants and recruiters, what we have seen quite a bit is in relation to issues with wages. So perhaps, you know, the wage that they were originally offered is not actually the wage that they've been receiving from the employer. Or a frequent issue we saw early on, after we brought in the legislation which prohibits employers from recouping any costs associated with recruiting the foreign

worker, we saw quite a few instances where employers were actually deducting that directly from the worker's pay. So those are some . . . That gives you a sense of some of the issues that we saw early on with the new legislation and that we've had to deal with.

**Ms. Sproule:** — So basically they're being resolved without charges being laid, and there would be other methods for dealing with the employer in those circumstances.

I finally did find the list and I noticed . . . I do have to share this with you on the record, but the number of employer audits under *The Foreign Worker Recruitment and Immigration Services Act* jumped from 60 to 400 in '17-18. And I'm just wondering what you attribute that leap to.

**Ms. Ross:** — Sure. I would attribute it to, sometimes it's simply just numbers, right? We've seen increasing interest in the program, increasing numbers in immigration to the province, so along with that you see an increase in other issues and challenges that go along with immigration. But I would also attribute it to just our own development of expertise and better understanding the issues and better being able to identify those issues. Yes, that's what I would offer.

**Mr. MacFadden:** — As government, what we'd also introduced was an audit process, so it allowed us to pursue on a more randomized basis, proactively, areas that may have been seen as higher risk.

**Hon. Mr. Harrison:** — And they put it very diplomatically, that their minister may have ordered that we put a very high priority on this.

**Ms. Sproule:** — All right. Thank you very much, Madam Chair. I think my time is well up and I don't want to cut into my colleague's time on trade. So just I will say thank you to the committee. Thank you to the minister and the officials. It's been a good evening and I've learned a lot, so thank you very much.

**The Chair:** — Minister, do you have any wrap-up comments you'd like to make?

**Hon. Mr. Harrison:** — Just very briefly, thanks, Madam Chair. And I want to thank you, Ms. Sproule, for the questions, very good exchange as always, and thank committee members for being here and thank my officials for all of their support and their wonderful good work over many years. Thank you.

**The Chair:** — We will just take a few minutes recess here to switch out officials before we move on to the Trade and Export Development, vote 90.

[The committee recessed for a period of time.]

**General Revenue Fund  
Trade and Export Development  
Vote 90**

**Subvote (TE01)**

**The Chair:** — Welcome back, committee members. Moving on, we will now begin our consideration of estimates for the Ministry

of Trade and Export Development, vote 90, central management and services, subvote (TE01).

Minister, if you would like to introduce your officials that have joined you here this evening and make your opening remarks. Again I would remind officials to please state their names before speaking at the microphone this evening. I'd also like to make note that a committee member, Doug Steele, joined us earlier on as well.

**Hon. Mr. Harrison:** — Thank you very much, Madam Chair, and thank you to committee members for being here tonight. I'll introduce my officials: Kent Campbell to my left, deputy minister of Trade and Export Development; to my right, Jodi Banks, assistant deputy minister of international relations and trade.

And we have officials behind who perhaps they could just give a little wave when I introduce them: Kirk Westgard, assistant deputy minister of economic development; Cammy Colpitts, assistant deputy minister of strategic policy and competitiveness; Tyler Lynch, executive director of marketing and communications; and Denise Haas, our chief financial officer of corporate services.

So I have brief introductory remarks and then we can go into questions from committee members. So I would begin by saying our government's 2019-20 provincial budget is the right balance for Saskatchewan. We are returning to a balanced budget with sound fiscal management while keeping taxes low, supporting economic growth, and ensuring quality government programs and services exist for people and businesses in the province.

Last year the provincial government created the Ministry of Trade and Export Development, placing a high priority on continuing to develop, diversify, and grow our market access. The ministry's mandate is to advance economic growth to generate wealth and opportunity in Saskatchewan.

The 2019-20 budget of the ministry has been carefully considered to support this mandate. It includes a total of \$20.6 million, a slight increase of \$371,000 from 2018-19. This budget helps to ensure Saskatchewan will continue to gain economic momentum.

[20:15]

The Conference Board of Canada recently forecast that our province will lead the Prairies in economic growth in 2019 with a 2.2 per cent growth in GDP [gross domestic product]. This growth forecast is contingent on trade. Saskatchewan is one of the most trade-oriented provinces in Canada, exporting 67 per cent of what we produce to more than 150 countries. One in five jobs in the province depends on trade, and we've seen our exports grow significantly in the past decade from 19 billion in 2007 to \$31 billion last year.

Carrying forward with the ministry's objective to increase exports, we know the next several years will be active for Saskatchewan on the domestic and international trade front. Increased protectionism is a concern to all jurisdictions, particularly those that are significantly export oriented, like we are.

The current dispute with China over canola may have serious impacts for Saskatchewan producers and is a priority trade issue that our ministry is monitoring very closely, and of which we had a good discussion in the Immigration and Career Training estimates. China is our number one market for canola — a premium, growing market. Over 40 per cent of Canada's canola is exported to the country every year and over 50 per cent of that export comes from Saskatchewan. We're talking billions of dollars in the annual export of canola seed, oil, and meal. As a product, it's vital to Saskatchewan's economy and to Canada's as well.

As you can imagine, we take this market access challenge very seriously and we are pursuing this aggressively. And I look forward to talking about that later. We met with our federal counterparts — the Minister of Agriculture and I — last week and we're working with the national government to pressure China to reconsider the current restrictions on Canadian canola products and seeds, and we're going to continue to work on this issue.

On the domestic front, there's work to be done under the Canada free trade agreement, and the ministry's trade policy branch is leading and actively involved in negotiations to ensure Saskatchewan's priorities are reflected.

Internationally we continue to monitor the ratification of the United States-Mexico agreement, which will modernize the North American Free Trade Agreement. Canada is working to re-engage with the United States to negotiate a possible new softwood lumber agreement, and this is taking place as the federal government and provinces defend their forestry regimes during the United States' countervailing duty investigation against Canadian softwood lumber imports. We're also continuing to work with the federal government to negotiate with the United States to remove tariffs on Canadian steel and aluminum.

In addition, as part of our commitment to growing trade relationships with emerging markets, the province fully supports the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. This deal gives our exporters increased access to about 500 million consumers and some of the fastest growing markets in the world. We're excited about the prospects of this partnership with other members of the agreement, including Japan, Australia, Mexico, Vietnam, Chile, Malaysia, Singapore, and others.

Together the CPTPP [Comprehensive and Progressive Agreement for Trans-Pacific Partnership] countries account for nearly half a billion people and over \$13.4 trillion in GDP, almost 12 per cent of the world's economy. In 2017, Saskatchewan exported about \$2.8 billion worth of goods to the agreement's participating countries, so we will very much look forward to what the future holds. With all this in mind, it's critical that we make investments to help businesses connect to the world, navigate the complexities of international trade policy, and open the doors to new markets.

Premier-level engagement in international markets is vitally important for building and strengthening trade relationships, as well as promoting Saskatchewan as a place to invest and do business. For instance, the Government of Saskatchewan has

worked closely with Saskatchewan industry, including the province's uranium sector, to expand its exports into key international markets such as India and China.

I'm pleased to note that our budget addresses our priorities that have been identified. It includes an increase to enhance the reach and effectiveness of the ministry's work, primarily in international relations and trade policy analysis. The increase will help fund travel into important markets to advance trade opportunities, address market access concerns, and attract investment. The ministry will also use this funding to engage advisory services to provide strategic advice on how to most effectively access specific markets and reach key decision-makers.

This budget strikes the right balance between carefully managing spending while investing in the expertise and strategies we need to grow our export market, strengthen our economy, and maintain one of the most attractive investment climates in the world. Our resource sectors continue to recover, thanks to growing global demand. With the global marketplace recognizing Saskatchewan's competitive business environment, diverse resource sectors, and commitment to stable regulatory and royalty regimes, the province is well positioned to attract investment and growth.

Our manufacturing sector continues to outperform the rest of the country with sales reaching 17.9 billion in 2018. This sector achieved the highest average annual growth rate in Canada of 6 per cent from 2008 to 2018, triple the national average of 2 per cent. As well, our value-added agriculture sector continues to shine with the province emerging as a global leader in plant protein.

Our province has over 40 per cent of Canada's farmland and we're skilled at producing and exporting crops. We want to add value to those crops here at home and add value to our exports, create jobs, and grow the Saskatchewan economy. To this end, in September last year we began accepting applications for the newly introduced Saskatchewan value-added agriculture incentive.

The incentive aims to improve investment, attraction, and retention outcomes in the value-added agriculture sector. It offers an non-refundable, non-transferrable 15 per cent tax credit on capital costs for newly constructed or expanded, value-added agriculture facilities. This new incentive will help to continue to attract leading-edge innovation and high-quality jobs to the province.

Already as a testament to the success in value-added agriculture, we've seen food manufacturing sales double since 2007 from 2.5 billion in that year to 5 billion in 2018, and we look forward to what the future holds.

Next month, Saskatchewan will be hosting the 12th Bridge2Food Plant Protein Ingredients Summit in Saskatoon. The summit will focus on new plant protein ingredients, processing technologies, and applications. This will be the first time the international summit is being held outside of Europe, and it will feature over 45 speakers and more than 50 exhibitors. Keynote speakers include representatives from the European Commission, Protein Industries Canada, Nestlé, and other industry and academic

participants from across the world. We look forward to receiving participants from all over the world in Saskatoon.

Saskatchewan continues to be a world leader in the development of enhanced oil recovery and carbon capture utilization and storage technologies.

Moving on, according to the Fraser Institute's annual survey of mining companies 2018, Saskatchewan is first in Canada and third in the world for mining investment attractiveness. With many of the projects near completion, capital investment is forecast to be slightly down to 14.3 billion in 2018 from 14.7 billion in 2017. However from 2007 to 2018, total capital investment growth was \$176 billion.

We're also seeing growth in building construction. Recent seasonally adjusted numbers show that investments in this area increased by 15.8 per cent in Saskatchewan from January 2018 to January 2019, ranking first in percentage change amongst the provinces.

Small business are not left out. They continue to be the backbone of our economy, contributing 31 per cent of GDP from 2007 to 2017. Saskatchewan has Canada's second-highest rate of small business, about 130 for every 1,000 people compared to about 111 nationally. These organizations, which have fewer than 50 employees, made up 99 per cent of all business in the province in 2017.

Small business is indeed big business in the province and we're committed to helping them succeed. We offer a number of competitive tax rates, including a small business income tax rate at 2 per cent for Canadian-controlled private corporations. The rate applies to the first \$600,000 of business income and is among the lowest in the country. We also offer tax credits for research and development as well as for manufacturing and processing equipment expenditures.

A healthy regulatory framework is widely linked to economic growth and the level of prosperity of a region. Since we introduced *The Regulatory Modernization and Accountability Act* in 2013, our government has embarked on a multi-year review of all of its business-related regulations for their impacts to costs and to remove barriers to growth. Earlier this year we launched the Help Cut Red Tape web page at Saskatchewan.ca. The new page offers businesses and citizens an online platform to provide feedback on red tape concerns they've encountered with the provincial government and would like to see addressed.

Effective red tape reduction also means recognizing that interprovincial regulatory irritants exist and need to be harmonized to improve the environment for business across Canada. To this end, we actively participate and we're one of the primary motivating forces for the creation of the Regulatory Reconciliation and Cooperation Table, which is part of the Canada free trade agreement.

Bilaterally, Saskatchewan and Ontario are collaborating together and we've been working closely with . . . I've been working closely with Minister Smith, who is my counterpart in Ontario. And our premiers recently signed a memorandum of understanding to show leadership in Canada on reducing internal trade barriers. To that end, the first announcement we made was

with regard to wide-base single tires, which was a well-received announcement we made just a couple of months ago.

So these are just highlights of some of the work being done through the ministry, and I look forward to questions.

**The Chair:** — Thank you, Mr. Minister. Before I open the floor to questions from committee members, I'd like to move that, due to not feeling well this evening, that I'd like to move if we could have Mr. Michelson as replacement for Chair for the rest of this. Seconded? Is that agreed by opposition as well as the minister?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you. I'll have Mr. Michelson take over the Chair, and the floor will be open to questions from committee members.

**The Acting Chair (Mr. Michelson):** — Thank you. We'll open questions. I recognize Mr. Wotherspoon.

**Mr. Wotherspoon:** — Thank you to the minister here tonight. Thank you to all the officials that are involved in the very important work of this ministry on behalf of the people of the province and all the exporters, all the entrepreneurs, all those producers that are involved in this important work.

It's a challenging time right now for Saskatchewan when you look at the forces that are coming at us in choices of other national governments, a time where we've had traditional allies, longstanding allies that are making choices that simply aren't in our interests: the United States, China, India. The list goes on.

The minister referenced and appreciated the importance of canola access to China. This looms large across our province right now and it's the top priority, or a very top-shelf priority for this ministry, I assume. And I appreciated you referencing it. I came back from Yorkton here today with the chamber of commerce and that's agenda item no. 1, with so many questions for folks out across the province. So I know the minister canvassed some of this in a conversation with my colleague, but I'd like to just get some understanding of what actions have been taken to date to resolve this matter that's simply, you know, we simply can't let stand for very long.

**Hon. Mr. Harrison:** — I appreciate the question. And this is an incredibly significant issue for our province. China's our second-largest export market after the United States. Fully half of our exports to China are canola or canola meal or canola oil. Canola seed is by far the largest. It's about 40 per cent or thereabouts of our total exports to China worth, you know, billions of dollars a year.

And we have been very, very concerned from the point that it was publicly revealed that Richardson had a shipment rejected, had their export or import licence suspended by the Chinese customs agency. There has been another two companies, one of which hasn't been publicly named, but Minister Bibeau referenced I think yesterday morning in the federal trade committee, which they clarified afterwards was not an escalation. The licence was suspended at the same time concurrently with the Richardson licence suspension. All of this is very concerning though in that we have not, from China, gotten any technical

explanation aside from a generalized statement that there was a contaminant found in the Richardson shipment.

So we engaged immediately with the national government. I spoke to Minister Carr, I think the same day that that was made public. Mr. Marit spoke with his counterpart, Minister Bibeau. We sat down together on Friday, and we've been in contact at the officials' level daily since then. We sat down at the University of Saskatchewan on Friday, who graciously hosted the meeting. Premier and Deputy Premier attended as well, and we had a productive discussion. You know, we've been highly encouraging the national government to engage firstly at the technical level.

[20:30]

I think that we all know that we have the highest quality canola that you would find anywhere in the world. I think that there's a high degree of healthy skepticism about the sanitary, phytosanitary, which in trade parlance is SPS, rationale given for the rejection of the canola shipment initially.

So we're engaging firstly at the technical-scientific level and we've made a decision to work with the national government. I mean we don't have a foreign policy in Saskatchewan. I've said that many times publicly and provinces don't, but the Government of Canada does. And they need to treat this as a priority and that's where provinces can engage and make sure that they do, and so we're going to continue to work with them closely.

We have significant expertise to offer with regard to technical challenges or barriers with products. We've offered all of our assistance. We indicated we would like to be a part of the technical delegation meeting with the Chinese and participating at that level, to which they accepted that offer. And my understanding is that they extended that to the other Prairie provinces, so Alberta and Manitoba, who are also going to be a part of the working group on this.

I think there was an announcement yesterday that the technical group would be leaving as soon as possible to meet with the Chinese. My understanding is that there are some significant challenges around actually gaining access to the country. I mean you have to have a visa before you can actually be admitted into China and I think that there are some issues there. But I mean the national government needs to be engaged with that and make sure that this happens.

I'm confident that once we engage at that technical and scientific level . . . You know, if there is a legitimate issue, which we're highly doubtful there's a legitimate issue, but if there is, we will work in good faith to resolve that. And if there's not, then there needs to be engagement at the diplomatic and political level at the most immediate time possible.

So I mean, I think I said in one scrum that we're going to work with the federal government on this until we feel that they're not doing what they should be doing, at which point we're going to make it pretty clear what we think.

So right now though, we are engaging. And I would give credit to the University of Saskatchewan as well. President Stoicheff

offered the assistance of the university on any of the technical issues. I mean we have some of the most advanced technology in the world when it comes to seed development and all of the other areas of expertise we have to address, you know, the purported scientific issues.

So we're going to continue to engage at that level, but we've been told that the delegation is going to be leaving, of which we will be a part of, officials are going to be a part of — one of whom I believe is sitting at this table — and making sure that we treat this as an extraordinarily high priority, which it is.

**Mr. Wotherspoon:** — Thanks for the response. I think that, you know, I think it is critical that, you know, we go as a country and that it's an all-hands-on-deck effort. And certainly that's how we'd want to relate to this out of the Saskatchewan legislature. But this is really devastating if left to stand and needs to be resolved.

I think that anyone . . . I think that we have the best canola and grains that come out of this province and this country and we have incredible science behind it. And it's great to have the support of the U of S [University of Saskatchewan] and all those involved who make that point and to respond to any legitimate concern.

But we should be cautious not to be naive about this file. And it's the motivation, I think, it is going to be critical that the political and diplomatic engagement is swift and effective and engaged so that certainly we engage with the technical team and the scientific team and make sure we're answering questions and responding to concerns that may exist, but make sure that we're not going around and around and around on that front. Because I think there needs to be very direct engagement right now to resolve this matter.

My question would simply be around the numbers. What's the value of this trade last year and what's at risk this year?

**Hon. Mr. Harrison:** — So the overall value of canola export — that would be seed, meal, and oil — is about 2.5 billion and 1.5 billion of that is seed.

**Mr. Wotherspoon:** — You know, right now, I mean the time to seed is, you know, upon us and decisions have been made, investments have been made. I know there's been some call on the federal government around, you know, loans and interest as well and, you know, there's a place for those sorts of measures but ultimately we don't deserve a distorted market on this front. We deserve access to that market and that market certainty is critical to this province. The loans, you know, if extended and not . . . If we don't resolve this matter in a timely way, it creates all sorts of market conditions that really put our producers in this province in a whole lot of trouble.

**Hon. Mr. Harrison:** — Yes, you know, I don't disagree with that. We need timely and effective engagement from the Government of Canada. And you know, as I laid out in my first statement on this, we are, you know, we are going to be a partner as long as we believe that the Government of Canada is advocating the way we think is appropriate for our ag community, and we'll say if we don't think they are. And you know, Minister Carr is aware of that. And you know, right now

though, I think it's important that we have a united approach as long as we can. So we're going to be working with our counterparts from Manitoba and Alberta on this as well. You know, we have a national interest in this, we do, that transcends any partisan difference.

And we have a, you know, an emerging superpower that is acting, you know, in a way that I think does not befit the aspiration to be a superpower. And you know, rules-based trading is incredibly significant for, not just for us, but I mean this is the international order is predicated on a rules-based trading system. And when you have distortions to that rules-based trading system, it is incredibly disruptive for . . . You know, our economy is put in a very difficult position specifically, but it's going to be pretty difficult to restore that trust that has existed, or existed to a degree anyway, on bilateral trade issues.

So you know, we've encouraged our government to leverage all of the relationships that they have, not just, you know, with some national governments, but internationally, you know, to move the Chinese in a particular direction. And it's a highly sensitive issue internationally and, you know, I'm not going to be as blunt as I probably would like to be if we were just kind of talking, but you know, this is highly concerning and we do need to have this addressed. And for now we think that the united approach is the best opportunity we have to resolve this in the short to medium term.

**Mr. Wotherspoon:** — Thanks for the response. It needs to be resolved and I appreciate that a united effort's important. So it's going to be critical that Saskatchewan's engaged with the federal government in making a clear case with respect to our interests.

When we look at . . . This has to be resolved, but we also of course need to be looking for expanded markets on this front and many others. But specific to canola, has there been actions taken to look to expand new market access, certainly in light of this challenge? Certainly that trade and that market to China is critical and needs to be regained, but what efforts have been put into new market access for canola?

**Hon. Mr. Harrison:** — And again a good question. I mean we met with the industry, with Jim Everson, who's the Chair of the canola growers of Canada, just last week, Premier and Mr. Marit and I and a number of ministers along with some of the leaders in the area, and had a number of really good discussions.

One of the things that came out of that discussion is the Chinese market is incredibly essential. The export product that goes into the Chinese market on the seed front, you know, it's by far the largest export market in the world. I mean you go to number two which is, you know, Japan, for instance. I mean you get down . . . It's markedly less tonnage that you would see into any secondary market. So you know, there's opportunity to diversify and I think in the longer term, you know, we could maybe get to a place where the Chinese market wouldn't be as essential, but it's always going to be important. So we're going to continue to engage there.

You know, I can speak specifically. And Jodi and Kent and I were, you know, had the honour of representing our province in Singapore, in Manila a couple of weeks back, and this was just shortly after the Richardson announcement. So we were meeting

with a . . . met with a number of very large agricultural companies who buy very significant amounts of agricultural product from Canada — you know, large amounts from Saskatchewan by extension. And you know, we made every effort to encourage them to look at sourcing more product, canola specifically, from Canada, to which actually we received some very positive, very positive comments. And these are the decision makers in these very large companies, so you know, you're going to see additional sourcing from the country, from some of these other buyers. But displacing the Chinese market itself in the short term is probably not a realistic probability.

**Mr. Wotherspoon:** — Yes, I mean we need to regain that market access. It gives us strength and gives us value, so there's no question access to China needs to be regained. But I know the companies impacted right now, the companies that are banned right now, they're working their tails off right now to secure additional market access and, you know, just really urge as well, while we work to — as we must — in a very swift way regain market access to China, that we work as well with those companies and work to expand trade opportunities.

I'll shift along just a little bit to the steel tariffs that we've been facing in an indefensible way by our, you know, valued partner to the South, and these tariffs are damaging the impact planning for companies that are depended on by so many workers, that are important to us here in this province. I'd like a statement around what the cost or the impact of these tariffs have been to date on steel.

**Hon. Mr. Harrison:** — Well we'll try and find a specific number for our manufacturer here in the province. I'm not sure if we have the actual number. There might be some commercial competitiveness reasons around . . . We might not even have it actually.

But what we can say though, as a general proposition, is that these tariffs have been exceedingly unhelpful, verging on, you know, very difficult decisions companies are having to look at. And the imposition of these tariffs . . . And these are 232, national security-based. And section 232 refers to a provision in a US [United States] statute that gives the executive the authority to impose unilaterally sanctions on outside companies.

[20:45]

Well, I mean really, it's outrageous that we would have our, you know, closest trading partner and largest trading partner throughout most of our history somehow asserting that Canadian steel exports are a threat to their national security when you would find Canadian steel in defence products, whether that be steel in the US Navy, in the carrier fleet, in, you know, aircrafts. I mean it's beyond indefensible.

So we've been extraordinarily concerned about the impact on Evraz and have been working with Evraz directly, and working with the federal government as well as far as, you know, finding trade-compliant responses that will be of assistance to the company and keep them producing.

Yes, I would say that there were challenges outside of the 232 tariffs that existed already owing to pipeline inability to be constructed, which I think, you know, would have been



constructed here in Regina. I mean, Keystone XL or Trans Mountain, I mean, these were all projects where you would have had Saskatchewan-manufactured products building pipelines, well made by exceedingly talented employees who are the best in the world at doing this. And instead we've had those challenges. So it's been, you know, frustrating on the 232 front.

And you know, the federal government have taken a particular approach to how they're working to engage to have the tariffs removed. I think that there have been valid questions raised by many as to whether the negotiating approach that they've taken has been the appropriate one. So you know, it's something that's just . . . It's very concerning on that front.

And you know, I hope we can get to kind of all of these because there are . . . What I think people listening and watching would see is a pattern developing of trade challenges with long-term trading partners that are disproportionately impacting on Western Canadian industries because of decisions taken by the national government that have not necessarily been reflective of the interests and export interests of Western Canada.

**Mr. Wotherspoon:** — The point . . . Just to make sure I understand, because this steel tariff is indefensible and it should be actioned by the United States and it should be resolved. But just to make sure I understand the role of the federal government in . . . There was a suggestion that the federal government was in part cause for the implementation of the tariff.

**Hon. Mr. Harrison:** — No, I wouldn't necessarily say that they were the cause for the implementation. I think that there have been valid concerns raised about the approach to having the tariff removed.

**Mr. Wotherspoon:** — Well it's very important. We've touched on industries that are so important to Western Canada, so important to Saskatchewan. And you know, we sit not too many miles away from Evraz steel which is just a few miles north of this legislature, and an incredibly innovative and also, from an emissions perspective, one of the most efficient producers in the world, and families and people and workers that are incredibly skilled that depend on that employment. And these tariffs are certainly very detrimental to their livelihoods, to the planning of Evraz, unfair to us as a province and a country.

And of course we touched on as well the pipelines that are also so important to that operation and to this province that haven't been advanced in the way that they should.

I'd like to get a sense of where things are at with respect to pulses and India and the fumigation expectations that seem to defy common sense. As I understand it, the product I believe that's being asked to be applied doesn't . . . its effectiveness is reduced or eliminated in our cold weather conditions. And now Canadian exporters, Canadian producers or shippers are dealing with a charge I believe that's five times what the actual cost is, and distorted again to even what the United States is dealing with. I believe their shipping, and subjected to something similar, but I think the costs are two times.

So we're paying again through the nose to a valued trade partner. And the impact is real for operations across our province and producers across our province and the bottom line of this

province.

**Hon. Mr. Harrison:** — Yes, it's again a pattern of concerning restrictions imposed and, you know, I think widely believed to be non-science-based SPS requirements — sanitary, phytosanitary — the fumigation issue that you're referring to which is not science based, which is precisely, as you said, something that is dealt with because of the climate that we have here and the fact that we don't have the issue that is being claimed.

But you know, we've engaged with the high commission and with the national government on this. There was an extension granted in January until the end of June this summer for our lentil exports, or pea exports, actually. All of this is highly concerning though. I mean this is a major export destination for our peas and lentils, and not just a major export destination, but a major opportunity for growth in that particular market going forward.

So I mean this isn't entirely unusual in dealing with India. There have been occasions where we have SPS non-tariff trade barriers thrown up. You know, it seems to kind of coincide with strong crop years in India, which you know, imagine that. But again we need to have a rules-based, predictable trading arrangement.

We've been highly encouraging of the federal government to engage with and conclude a trade agreement bilaterally with India. There have been nine rounds of bilateral negotiations that have occurred. We've been kept up to date and have asked to be kept up to date, since we are one of the major exporters to India from Canada. Unfortunately, I think that there has been less progress in the last year or so on the bilateral trade negotiations than we would have liked to have seen.

You know, there was a prime ministerial trip to India about a year ago that didn't go so well, which I don't think did a whole lot to advance our bilateral relationship with India, which is highly unfortunate because again a disproportionate amount of trade with India comes from Western Canadian jurisdictions and from ours. So we have, you know, continued to push and encourage the federal government to engage on those bilateral negotiations in a significant way.

In India the domestic political situation, I think, has driven some of the decisions that have been taken around some of these particular products. You know, we have a national election that's going to be happening there in May. I think based on the outcome of that election, if there is to be a re-election of the incumbent government . . . It's politics, so who knows? And it's the world's biggest democracy, so who knows? But you know, if there is to be a re-election of the incumbent government, I think that there's going to be a window in the post-election period in which we can engage at the sub-national level with their new national government and perhaps make some progress on the particular issue we're talking about, but some other bilateral issues as well.

So you know, we haven't finalized anything, but I think the intention that we would have is to engage directly in country probably at the end of summer, once that election takes place. And there's going to be a bit of a period of transition, even with a re-elected government, but that we would be there to engage because I think there's a window there.

**Mr. Wotherspoon:** — Thanks for the response. Does the minister have an understanding or an update he can provide us by way of impact on this important industry, by way of the trade challenge with India right now, the cost for our producers and companies here in Saskatchewan?

**Hon. Mr. Harrison:** — Yes, we do. There's been a significant decline on pulse imports, nearly 50 per cent, about 48 per cent decline in pulse imports from 2017 to the period January to November 2018, which is our most recent stat that we have here. So the 2017 year over year was about \$700 million between peas and lentil exports. So near, you know, 48 per cent decline over that January to November period. You know, this is a very significant impact.

**Mr. Wotherspoon:** — Very significant. What's the additional cost by way of the cost for the fumigation processes and the understanding that Canadians, or those from Saskatchewan, are being subjected to much higher costs than those out of the United States?

**Hon. Mr. Harrison:** — Well I can speak to that. What our understanding is, is that because of the increased costs associated with the fumigation — and couple that with the tariff — that our exporters just don't do it. So it's not that they don't fumigate. They just don't ship product to India, which would be why you've seen a 50 per cent decline.

**Mr. Wotherspoon:** — Which has a, you know . . . And it's the shipments that matter. It has in the market conditions. It creates a weakened pricing environment when you're reducing a market like that. So again, a very important matter to be resolved.

Moving along a little bit to uranium. And certainly this is an incredibly important industry to our province, to all of our province, particularly so to northern Saskatchewan. And the loss of employment has been devastating certainly for many families and households and the industry is in a . . . It's a challenged space by way of market conditions, I understand.

But I guess I'd like a bit of an update around working to secure markets, working to make sure that conditions are in place so that McArthur River and Key Lake can be operational once again and put hundreds of workers back to work with good jobs.

**Hon. Mr. Harrison:** — Yes, I know the member had indicated before we started our chat that he hadn't been able to . . . You were working and hadn't had a chance to follow your predecessor from Nutana's question. We had a really good discussion actually on this specific issue and it's . . . I don't think I'll go through all of the detail I went through with her on it, other than to say that this has been an area of significant frustration for the Government of Saskatchewan with the Government of Canada who had, you know, a very easy path to keeping the people in northern Saskatchewan working if they had so chosen. It was within their policy authority to make a change that would have prevented or at least mitigated the impacts that we have seen.

And I presented that to Minister Freeland directly on a number of occasions, including in the immediate run-up to some of the decisions producers had to take. And they chose to not avail themselves of the policy tools that they had in order to prevent or mitigate the decisions that were taken.

And it was one of the more frustrating things that I have dealt with in public life, given the very real impacts on hundreds of people and the very real impacts on dozens of communities who relied on this industry and relied on these jobs of people working in this industry.

[21:00]

So we're going to continue to provide all of the rationale and reasons and evidence and information that we have to push them in the direction of making the right decision. You know, I think there's elements in the government that would like to, and there's other elements that have reasons — that don't have a whole lot to do with northern Saskatchewan — for not.

So you know, we're going to continue to push on this as hard as we can. And it is challenging, it's frustrating, and like I said, it's probably one of the most frustrating files I've dealt with.

**Mr. Wotherspoon:** — Certainly that industry's so critical to this province and so important to northern Saskatchewan and the families and the hundreds of companies along the supply chain that connect to that activity. So again let's make sure that this is a file that this government, this ministry is working as an advocate and an ally. So thanks for the responses.

I want to touch on potash. Obviously we're sort of the world's epicentre of potash. We're world-class producers: a resource that's second to none; the best companies, bar none, around the world, with labour standards and environmental standards that far surpass, or that surpass their competitors from around the world. And they've been very important to the development of this province. They've placed significant capital investment over the last number of years, and that's been a big, big part, a very valued and important economic activity in this province.

And it's fair to say as well that they face challenges. And you know, they've got that amazing resource. They have the best miners in the world. They're amazing companies but they have challenges up against them as well. They're a long, long ways from most of their customers. Lots of their competitors are much closer within the world, so transportation is a major challenge. Our underperforming rail system is a major challenge.

But you know, they're very . . . They're again, they're emissions efficient. It's sort of that story of Evraz steel. These are modern mines that have put dollars into being very mindful to being efficient. And those are dollars they've put in to make that happen. They're adjusting to the . . . trying to plan and figure out what the impacts of a federally imposed carbon tax will be for them. They have headwinds with, you know, legislation as well, like C-69 that we oppose as an Assembly here.

So they've got a lot of those pressures and I know they've come through a tighter period of time. And market conditions have certainly improved a bit, and that's a positive thing for workers in Saskatchewan and it's a positive thing for this industry.

And we've advocated for a number of years, long-standing, consistent position, that something like a royalty review is something that's important, that that needs to be done in a transparent, even-handed manner with industry directly involved because government doesn't know the operation of those mines

and doesn't know industry better than industry. And it's not abnormal to have industry, including publicly traded companies, involved in that sort of review or consultation. In fact it's very, very normal that a company is engaged in consultation to matters that are material to them.

And of course it's important that when you look at this industry that we look at the important interplay of the very valued jobs that are in place, thousands across the province; the investment conditions and the investment that's been made and the investment that needs to be valued; and then of course the return is, well directly to the province by way of royalties.

And there's a connect to these things. And it's important, when a government looks at changes, that they do so with all the information. And I think it's a matter of making sure that we mitigate any unintended consequences and that we build policies that maximize value for this important resource without doing so in a way that, as I say, has a bunch of other potential consequences that aren't so positive.

And I think that companies in an industry like this who have invested so much, I believe it's critical that they're engaged so that they can plan. And I think that it's important to have, generally have them at the table and be able to hear some of their perspective. It doesn't mean they're setting the royalty structure, but you're hearing that perspective.

And so I was, to be honest, rather astounded to see a very significant change to the royalty structure, a big increase in the royalty done so in this budget without any consultation with those valued companies here in this province. And I guess my question to the Minister of Export: because potash is an incredibly important exporter obviously, and a large part of our exports, what was your involvement in the change to the royalty structure, the hike that was brought forward in this last budget?

**Hon. Mr. Harrison:** — Well look, I don't want to get overly partisan in this, but I think that was . . . In your initial press conference, the embargoed press conference, you supported the change that was made.

**Mr. Wotherspoon:** — You read the paper.

**Hon. Mr. Harrison:** — I did, which didn't . . .

**Mr. Wotherspoon:** — You should read the record. So I think I'd just reference, because I heard the minister say this on the floor the other day. We've long called for a review and adjustments to be made in a fair way for the province, but the way that this government went about this is just not how you do it. And whether or not you've arrived at the right number and whether . . . Well it's not fair to simply blindside an industry, plain and simple, and there's a risk as well that you get it wrong if you don't have them engaged to talk through some of the mechanics of that industry.

**Hon. Mr. Harrison:** — Well the question is better put to the Minister of Energy and Resources and Minister of Finance perhaps. You know, you asked me what my involvement was, and I'm a member of the cabinet so obviously I was there through the budget and cabinet deliberation on the matter. I would recommend though putting it to the ministers directly responsible

for the royalty regime.

You know, what I would say though in addition to that, you know, we've had very good meetings. I've met with Nutrien twice since the budget. We had a really good discussion on Monday with very senior officials from Nutrien, and this subject wasn't even discussed. And we're, you know, working on a whole host of files and initiatives and, you know, maintaining a positive relationship, which we've had a good relationship over many years.

And I would say that I think, you know, other governments have had good relationships as well. This is an important industry and, you know, really quite obviously a very significant employer, very significant exporter from the province, and something that Saskatchewan people have a significant degree of pride in and rightfully so, and I think a recognition and desire and frankly demand that they get an appropriate return for their resource. You know, I was the co-lead minister on the PotashCorp, BHP file — the member was here; that seems like a lifetime ago now but it was not that long ago, I guess maybe 10 years ago — and have been, you know, directly engaged with leaders in the industry for a lengthy period of time as economic minister in the government.

But you know, what I hear back home, I hear from folks is, you guys need to make sure that you're getting an appropriate return on the resource and that we're not giving it away cheaply. I mean we, you know, have a limited amount. It's a, you know, massive amount, but it still is a finite amount of potash that we have that's economically recoverable here. So people expect that we're going to do our best in terms of getting that appropriate degree of return.

The Minister of Finance spoke to some of the overall percentages. You know, at different points we've been getting nearly up to 20 per cent on that rate. Historically I think that we've getting around nine, nine and a half. And you know, opposition pointed this out: we were down to 6. So you know, it was felt that the appropriate number is probably around 9, which has been the historical average. 18 is probably too high and 6 is too low. And you know, with the change that was made, there will be around a nine and a half per cent, 9.5 I think, per cent royalty. And that's I think something that is expected. So not going to kind of get into the details, nuts and bolts. I'll leave that for my colleagues, but I would say that as a general statement.

**Mr. Wotherspoon:** — I won't get too far into it here tonight either. The minister would know we've long advocated for ensuring that we deal with this very important resource in a principled way and maximize value and, you know, the fair return that Saskatchewan people, the owners, receive.

But just the way that this government went about this is strange in my eyes. I think that these are important Saskatchewan companies. There's a risk to getting this sort of thing wrong. And I don't think it should be done with the simple math that is getting tossed around. I think it's important to understand some of the investments that have been made, how that factors in.

And really, if we're looking to maximize our return, how do we make sure that that includes jobs, of course, as well? And how do we make sure this industry is on an incredibly strong footing for generations to come? So just a high level of frustration and in

fact surprise that there wasn't a thoughtful review-type process with industry. And you know, the fact was industry was there with this government back in 2015, willing partners, to review matters. And to just have no consultation and be blindsided on budget day, I don't think is the way to go about this and I think there's a risk of not getting the balance right.

**Hon. Mr. Harrison:** — Well I would take a degree of issue, and again you know, like the member, I don't want to get into, waste a bunch of time on kind of debating nuances of consultation processes. But you know, we considered this, you know, in a very serious way through the budget process under which you are not advertising, you know, outcomes on specific budget decisions or announcing them prior to the Finance minister rising in her place and announcing them.

So we have, you know, a very talented group of officials who work both in the Ministry of Energy and Resources, Ministry of Finance, Trade and Export who understand the royalty regime very, very well; who understand implications of decisions; who understand incentives created by particular components of that regime; who made, you know, very deeply, well-considered recommendations that were put before decision makers. So I wouldn't characterize this as something that was anything other than deeply and thoughtfully considered in a significant way.

**Mr. Wotherspoon:** — We'll just leave the point of difference on here. Without question, this government has incredible officials and expertise in these areas, but the expertise that's applied in the field and in the mines and in those operations is important in those that are making decisions. Those companies, as well, are competing for capital to apply it to these divisions in Saskatchewan, their potash divisions, and I would just again impress on . . . We would've taken a different approach. We would've had folks at the table and this would've been done in an even-handed way. And I'm disappointed with that result.

I'd like to move along just a little bit to, and I touched on, the rail system which of course is important to all those producers that we've been talking about throughout the night. They're important to all those folks that are — well most of them, maybe not the tech companies so much — but so many of those exporters supported by Saskatchewan Trade and Export Partnership. There's lots of tech manufacturers and stuff as well, so important there, certainly important to potash. But the system's been underperforming for, well for quite some time, and certainly our economy's not firing on all the cylinders that we'd hope for. We need to be in a position, as we secure market access again and grow market access and as conditions improve, that we're able to get our goods and products to market.

[21:15]

What sort of action is the government advocating with respect to improving rail performance for exporters?

**Hon. Mr. Harrison:** — So it's a good question. And it's something that we have had, you know, significant concerns about at different points, very acute concerns, going back to 2015 and the ability of moving our commodities in this province to tidewater, and having the ability from there, obviously, to ship around the world.

So for us, the port of Vancouver is very important. Prince Rupert is very important, which means we need to have reliable and secure rail access to those ports. You know, there is an element of goods that are shipped by truck. But the most economic way is to do it through rail transportation.

You know, there have been not insignificant investments made by the companies. I mean, you could just kind of go through their . . . particularly since the crisis that we had over the winter in, I think that was 2013 when we had to mandate tonnages . . . feds did. There have been significant investments made.

You know, one of the things we've said as well — even working with some of our provinces, you know, from Alberta and British Columbia — some of this is de-bottlenecking particular problem areas, which might not be in Saskatchewan necessarily. We're talking about railway sidings in the lower mainland, for instance, or grade issues that you have in particular portions of track.

So you know, I've even said on occasion where, you know, investment that would make sense in de-bottlenecking particular areas — if made by the national government for example, even if we weren't to get our per capita share of particular investment — if it was going to benefit our shippers because of the fact that the rail lines could put more and heavier volumes through particular bottleneck sections, that's probably an investment worth making. That would benefit us.

So, we've been trying to work in a collaborative way with other provinces on this. We've been working with the port of Vancouver as well, of which we have a board position and who meet here every year. We had a good conversation just a few months ago with the board of the port of Vancouver. So we, you know, work closely with the operators of those institutions and with the companies also.

You know, a part of the challenge though on this is the fact that we have now 300,000 barrels of oil per day projected to be on the rail. Twenty years ago there was none. So where does that . . . You know, 300,000 barrels is displacing another commodity that could be on the rail, whether that be potash or canola or wheat. I mean this is the challenge because we can't get pipelines built in this country.

So you have all of these deleterious follow-on effects from the fact that we can't get a pipeline nationally built, despite having approvals. Trans Mountain, I'm speaking of specifically here, which is why, you know, we stand up and advocate very aggressively for pipeline construction. And you know, it's not picking one or the other. All of the above, whether that be Northern Gateway, whether that be Keystone XL, whether that be Trans Mountain, whether that be Energy East, they should all be built.

And these are projects that will have a significant benefit for our province economically, just in and of themselves, not to mention follow-on impacts like the one we're talking about here right now of transportation issues on the rail because of the fact that we have so much oil being put on the rail because we don't actually have the capacity in pipelines right now, not to mention projected into the future to get our energy to tidewater.

**Mr. Wotherspoon:** — I appreciate the minister's statements

about pipeline capacity, and him and I have served in this Assembly for some time. And my illustrious career has kept me in opposition for 11 years, but in those 11 years he would know that I've been a strong advocate to have pipelines built and to ensure that we have markets expanded by way of those pipelines and to close the differential. And it's so important and it's, you know, it's frustrating now as well. I know, I think that line 3 is held up here right now as well.

So 11 years we've been calling for action. And I'm not going to point a whole bunch of fingers, but many governments provincially here, and one government here provincially has been in power, and different federal governments that have presided over this period of time, we simply have to get our product to tidewater. We need to get market access resolved. And it's one of these areas that we'll work together fully as constructive partners.

And on the rail side, the rail is . . . Certainly the pipelines need to be built. We need that market access. We need that connectivity to tidewater, but the rail system itself is one of the biggest irritants to folks across the province, exporters across the province. And it goes beyond being an irritant. It's a real financial hardship and cost. And it's cost employment where we've had large operations within our province have to go through periods of scaling back production and laying off workers, simply because we couldn't get product to market. And what we need to get those pipelines built, it's not entirely the oil on the rail that's the issue. It certainly is a problem that needs to be addressed as well.

I mean, we've watched this duopoly go through. You were talking about responding to the challenge of getting that great crop to market a few years ago and the failures at that time. What proceeded that within those companies was a massive reduction of rolling stock and pulling power. And you know, often it would seem a duopoly that's not, you know, not always looking out for the interests of the Saskatchewan producer or the Saskatchewan economy.

I guess my question coming out is one modest reform, but one that I know is valued for producers in this province. One that's been advocated by APAS [Agricultural Producers Association of Saskatchewan] along with different farm groups would be looking at having demurrage, which is the penalty that's paid when a vessel sits in English Bay for example, and doesn't have freight arriving at the scheduled time that it's supposed to. So you have vessels floating in English Bay. And the costs of that in the case of the agricultural sector, and this is different than other sectors, falls directly onto the backs of producers, and this is called demurrage. And their proposal is to have demurrage to be placed directly onto the shipper, which certainly should incent their performance to resolve these matters.

**Hon. Mr. Harrison:** — Yes, I mean I'm not familiar with the proposal. I'm willing to take a look at what it is. The rail lines, these are primarily federally regulated issues. But you know, I don't disagree with the challenges kind of outlined by the member, you know. And I would be, my colleagues would know I'd be the last one to sit here and defend either member of the duopoly, and I'll just leave it there.

But I mean, there are definitely challenges in dealing with these

issues. And you know, we haven't been shy about, I think probably surprising some people in 2013, calling for a very specific government intervention and response as to particular outcomes and expectations that were, you know, ultimately adopted by the federal government with regard to specific targets. So you know, we're willing to go there, but the answer ultimately is increased investment into the system and having increased capacity. But without question though, you know, there would be a significant impact and ability to transfer or have at least excess capacity in the system, if we didn't have 300,000 barrels of oil a day on the rail. And that goes back to the pipelines.

You know, one of the areas where it's impacted which I'm going to speak to — which is forestry because it's not often spoke to — but there are real challenges for our producers, our forestry companies in northwest Saskatchewan, who are now trucking hundreds of kilometres to get to a point where they can put it on the track, or just shipping or trucking directly to the destination, which is significantly increased economic costs for transportation in doing so, but especially when you're faced with a 25 per cent tariff. So I'm hoping that — and a 20 per cent anti-dumping duty — so I'm hoping the member will ask about softwood lumber because I have a few things about that too.

**Mr. Wotherspoon:** — Let's hit it now. And I fully agree and make the case regularly about the congestion with oil on rail that should be in pipelines and needs to be built out there. And in going back to 2013 as well, again that challenge though, although those measures were helpful at that time and arguably required — we were calling for those actions at the time — we really should be setting up this system to be performing at a better level all of the time. Because even if you're choosing, in that case one commodity, then you are choosing it over softwood lumber for example, or any of the other shippers that are out there.

So let's touch on forestry because certainly this is an important industry to the province, one that's faced a lot of headwinds as well by way of trade decisions, but an important and proud industry in the province. And I'd be interested in getting a bit of a scan and a bit of a forecast for the year ahead.

**Hon. Mr. Harrison:** — Sure. No, and I appreciate the question on forestry. I mean, this is an incredibly important industry and one that, you know, is near and dear to my heart. It's integral to my constituency in Meadow Lake, and an industry I actually worked in a number of summers as a student and had the opportunity to get to know, to a degree anyway, both on the ground and now from a different perspective where I sit now.

But you know, a very, very important sector that has faced, there have been price challenges in the last number of months. A number of factors owing to that, primarily it was housing-start reduction. But it had been doing quite, you know, had been doing very well, even with a highly unfair and highly arbitrary, I would argue — US Department of Commerce might disagree — tariff and anti-dumping duty put on to our exports.

So we, you know, have a 20 per cent anti-dump . . . or no, it's a 6 per cent anti-dump and 19 per cent tariff, I think is what . . .

**A Member:** — The combined is 20.

**Hon. Mr. Harrison:** — Yes, 20 CV [countervailing] and

AD [anti-dumping] in total. It's different for every jurisdiction and province but, you know, highly, highly unfair. I mean, it's impacted the ability of our producers to compete in the United States, predicated on a false narrative that we are subsidizing our softwood lumber producers because of the fact that it's Crown land and somehow the stumpage, which is the royalty that we charge for harvesting that resource, is not comparable to what a private sector operator in the United States would charge.

It's ludicrous, and every opportunity that this has been judicially considered through litigation and trade challenges the United States has lost — every single time. Yet the last time around we ended up with \$5 billion of CV and AD fees that were in a trust. And we finally won completely, and lo and behold, the industry basically kept a billion dollars and refunded us four, which is, you know — again talking about rules-based trading relationships — even with the United States on softwood lumber I don't know if we've ever actually had a genuine rules-based trading relationship on that front.

So you know, all this adds up to a massive increased cost for our softwood lumber producers, which is a significant challenge for them. They persevered through this though, and you know, we're hopeful that we're going to ultimately be successful in our challenge on this again. We've encouraged the federal government to engage with the US Trade Representative's office on this. I mean, I think the legitimate answer had been during USMCA [United States-Mexico-Canada Agreement] negotiations, that the resources at USTR [United States Trade Representative] were basically — that could be allocated to the Canadian relationship — were maxed out with the USMCA. So that was a part of it. But this is the time when we need to be re-engaging on softwood lumber.

[21:30]

We still have challenges with the USMCA and ratification, which is a whole other issue. But on softwood lumber we need to be working through the USTR's office. The challenge that exists though, is that the softwood lumber coalition in the United States has a de facto veto over any agreement that USTR would enter into. And that's highly problematic, meaning that industry essentially have to agree in the US to anything negotiated by their . . . USTR is basically the trade minister's office for the US administration, US federal government.

So all of this is very difficult and we would hope that the federal government will treat this as a priority. I know again, every opportunity I have I encourage them to raise this and push this and do whatever they can to resolve this, because it's that important to northern Saskatchewan. And it's an industry not always talked about actually; it should be talked about more. It is a great industry.

But you know, there has been good news though, I would say, in the forestry sector. Talked about it last with Ms. Sproule but, success story. MLTC is an example, right? I mean, have done great work with NorSask Forest Products. Great operation, just purchased in the last number of months L&M forest products out of Glaslyn, which is, you know, I think is something that was looked on by both parties as a very, very positive, successful outcome that's going to be a great thing for the Northwest.

So we, you know, participated in transferring the FMA [forest management agreement] that L&M had had to . . . Mistik will be managing that FMA as well now. So I mean there are some very good-news stories. And I actually think we have a degree of stability in the forestry sector that hasn't always existed. I would put it that way. And it's been because of, you know, very good, successful, well-run companies that are committed to operating and doing the best they can, both on the forest management stewardship and also on the business side.

**Mr. Wotherspoon:** — I appreciate the attention to the file and I've benefited as well with time with MLTC and different ventures in through the region. And this is a very important industry to the province and one that we hope can be much stronger in the years ahead.

I want to just shift to the area that, certainly an area that presents a lot of opportunities — many areas of strength within this province — and that's the whole plant-based protein possibilities and what we're doing already here in this province in certainly the protein industry's supercluster and how that all comes together with . . . You know, we've got a really great ecosystem on this front.

We have really the world's best producers who have always been willing to innovate and apply new practice and technology. We have the scientific community and the University of Saskatchewan and all of that expertise that clusters together right there. And we have great companies, great companies that are ready to innovate, ready to invest, and that are really looking to this opportunity to provide higher value product to the world, the benefit for Saskatchewan being that we're maximizing value off of acreage and beyond that. We only have so many productive acres within the province.

We need to look to possibilities like this to grow the jobs that we can generate in rural Saskatchewan and our urban centres through these activities. I know the minister and the government has brought forward a tax credit around value-add agriculture, I believe, in the year prior, something that I've advocated for.

My question would be, what's been the uptake on that front? Has it met expectations? And what sort of assessment do you have by way of the efficacy on that tool?

**Hon. Mr. Harrison:** — Sure, and thanks for the question and the observations. I would entirely agree at the opportunity for further development around the plant-based protein. The entire file and the cluster that we have built is, you know, world class. It's the best in the world right now and I think that there's opportunity for further improvement.

As to the specific question on the ag value-added incentive, I think we've got about 12 applications. We've got more applications. I don't think we've adjudicated all of them, but I think we have 12 or so. Finance run the program, so kind of a specific question probably better put to the Minister of Finance. But I think we are around a dozen and I don't think I can say which specific companies, at this point yet anyway, they are. But I would say as a general kind of a ballpark, we're looking at over \$200 million of investment just on the basis of those 12 applications.

**Mr. Wotherspoon:** — Thanks for the information there. What are we talking about by way of investment and jobs that that's generating?

**Hon. Mr. Harrison:** — Yes, Kirk, do you want to speak to this one?

**Mr. Westgard:** — Hi. Kirk Westgard. Thank you for the question. When we talk about investment, we can talk about the SVAI [Saskatchewan value-added agriculture incentive] program, the Saskatchewan value-added agriculture program, and what we've seen is five conditional approvals. So as investment is continually happening or taking place and the buildings are being built and jobs are being produced, we should see five that have been conditionally approved. Then we have about three or four more that we're working with to come to fruition in the next two to three years.

**Mr. Wotherspoon:** — Thanks for that. And what sort of . . . What kind of increase in jobs, what sort of job creation are we looking at out of these ventures? And what sort of investment?

**Mr. Westgard:** — Thank you for the question again. Total conditional approvals that we're looking at right now, we have about an average investment of \$220 million, and the jobs vary depending on the size of the operation and what type of operation it is.

**Mr. Wotherspoon:** — Thanks for that information. And what's the involvement . . . what's the provincial involvement in the whole protein supercluster? I know the federal government has put significant dollars forward. I know a lot of entrepreneurs in businesses, industry here in the province have. How does the province connect to all that?

**Ms. Banks:** — Hi. Jodi Banks. My understanding is that the federal government has worked with the supercluster that was rightly awarded to Saskatchewan because of the great infrastructure that we have and that they have invested an initial \$153 million in getting the supercluster up and running. They have a number of members that have also invested dollars into the supercluster, and I don't have that number with me.

The province is not technically involved in the supercluster. We haven't given any dollars towards it but are, you know, clearly going to be working very closely with them as we do our international outreach. Clearly there's, you know . . . the plant protein is something, of course, that we are interested in sharing with the world and there's clearly a huge interest in it.

**Mr. Campbell:** — And just to maybe add onto that point, you know, some of the recent missions that we've been on to India and recently to Singapore and the Philippines and Israel before that, there was lots of interest in that. I mean I think they, you know, all of those countries, either from perhaps an investment perspective or from a consumption perspective, really see the future big potential for plant proteins. And we're sort of recognized for what we've done in crop science. So I think it's a real opportunity moving forward to attract some investment internationally and link it to some of those global supply chains.

**Hon. Mr. Harrison:** — Kent is absolutely right. I mean the interest and the awareness level internationally of the entire

cluster that we have around the industry is well known internationally, and it is a magnet for further investment around the research, sort of, institutions elsewhere. So it's, you know, it's something that's really a comparative advantage for us.

**Mr. Wotherspoon:** — Yes, we're in a real unique position here to respond to some consumer demand and foreign demand for some high-value product here that is a product of the science and the incredible producers and the companies that have, you know, certainly stepped up and been innovators.

Just as far as tracking the progress of this cluster, what are we expecting in Saskatchewan? I think it's sort of a five-year period that some of these dollars are at play, and there's a lot of private sector dollars that have been put up there as well or matched or partnered with. What sort of markers are we looking for? Or maybe I guess we're into the first year of it here right now. What's our expectations on this front?

**Ms. Banks:** — Jodi Banks. I think that, you know, we're going to obviously be working very closely with Protein Industries Canada. They have located their head office here in Regina, which is . . . and then take obviously full advantage of having the technology and the expertise in Saskatoon. It's a Western Canadian project as well, so they'll be also working very closely with Alberta and Manitoba.

They are just up and running. They've had a CEO [chief executive officer] in place for just a few short months now. They're still staffing up. You know, they're going to be obviously reporting directly to the federal government on sort of the dollars that are being provided. But I would say both the Ministry of Trade and Export Development and the Ministry of Agriculture will be working very closely with them.

The minister mentioned the Bridge2Food conference that's coming to Saskatoon. That's partly because of the Protein Industries Canada supercluster being located here. And so it's in projects like that where I think we'll see a real benefit to the province. But as far as actually tracking, I think that's yet to be determined.

**Mr. Wotherspoon:** — Thanks for the response. I think the engagement will be really valuable. I know the province isn't a direct funding partner, but certainly these are really great companies tapped right into our scientific community and the different organizations that are involved there, and then the producers and making sure we also have some estimates around what we're hoping can come to fruition and seeing if there's any gaps and roles for government to advocate. Of course market access is going to be critical. STEP [Saskatchewan Trade and Export Partnership] will probably play, you know, a good role on these fronts, the companies themselves will. But just making sure that the conversation is happening because that five-year period feels like it's a fair amount of time, but it'll go quick and, you know, so the dollars are going to flow in. If we're going to maximize the value and ensure a lasting impact, I think it'll be really important for real good lines of communication on that front.

But I think that's all I have to say on this front. But it's an area that holds a lot of promise. Sometimes you worry that when you package something up as a five-year period that, you know, can

you get everybody kind of working in a way that allows, you know, the objectives to be accomplished, but certainly no shortage of good people and organizations involved there.

I'm a little bit interested in maybe a more minor trade dispute but an important one nonetheless, especially when you think of, you know, being the bread basket of the world. But I'd like an update by way of the durum issue with Italy, important of course to pasta.

**Hon. Mr. Harrison:** — Yes, I mean this has been another highly challenging file, where we have essentially an international disinformation campaign about the dangers of Canadian durum wheat exports, which of course is unfounded and ridiculous. But they have been successful in raising enough concern that there has been, you know, the Italian government put in place measures that have basically seen a reduction in Canadian exports.

[21:45]

And this had been historically our first- or second-largest export market for durum, in Italy, as the member mentions, primarily for use for production of pasta in Italy. So we've seen a decline; in 2016 we were at \$270 million of export, to down to 60. And I would not be surprised if it's going to be down significantly from that even this year.

So you know, we have the technical approach that's being taken with regard to proving that our product is a safe product. This is all around glyphosate is what the issue is. So proving that our product is safe, which it is, high quality, which it is, and that these non-tariff trade barriers that are being thrown up in different jurisdictions, that we address them, prove them to be false, and hopefully re-establish our position as a very large exporter of product.

Though I do have kind of concerns. I mean this is an example of where you have an interest group that have an agenda in making an argument about our product, whether it be on this case of durum wheat, that's not true for a number of different reasons. This is largely the Italian farmers union that's been making this argument that Canadian durum's unsafe.

I'm very concerned that we're going to see more of this around the world though, that we're going to see campaigns . . . And we've seen it with energy. I mean there couldn't be a better example of the international campaign to land lock our energy resource funded primarily by money from outside of the country, whether it be The Rockefeller Foundation or Tides. Vivian Krause has done some great work in chronicling and proving where this funding has come from to land lock our energy resource and the objective and the plan that had been put in place to do so.

I'm very concerned that we're going to see more of these sort of pressure campaigns around the world with respect to our agricultural products. And we need to be prepared, I think as a country. But we need to be, if our national government are unwilling or unable to fight back on these things, I think we need to be prepared to make the case as a province as well about the safety of these products and be in a position to refute misinformation that's put out there.

We're not talking about, you know, anything other than making sure the facts are on the table and that largely internationally funded pressure campaigns, not because of the specifics of the product that they're after, but for different reasons — whether they be geostrategic or commercial or financial — are undermining our position in a trade relationship with another jurisdiction.

**Mr. Wotherspoon:** — It's an important matter and, you know, we would hope as well through the relationship through CETA [Canada-European Union Comprehensive Economic and Trade Agreement] that we have with the European Union, that we can resolve this matter because really we should be looking, I think, to the United Kingdom and the European Union. I guess we don't know exactly what that whole construct is right now, but whatever we're dealing with in the future, these are valued partners. And I think there's tremendous opportunities to expand ag-biotech research in partnership on these fronts and certainly a lot of agricultural trade. And this is certainly a challenge to that.

I'm interested if the minister . . . Shifting gears a little bit here. This is an important sector that invests in our province when we're looking at our exporters and our traders and all of the manufacturers and the food sector and all the other sectors. I want to get a read whether or not the PST [provincial sales tax] on construction has been brought forward by many of these members that we represent in expanding trade opportunities directly to your ministry or to you as the minister.

**Hon. Mr. Harrison:** — No, I haven't had any of that brought forward by any of the organizations that we're working with in attracting investment or, you know, working with on whatever file it might be. You know, the specifics, I'm not going to get into it just because the Minister of Finance will be better positioned to speak to that.

**Mr. Wotherspoon:** — Certainly there is an impact on these operations. And lots of times they're, you know, they're making the case for capital to be applied in our province, lots of times they're multinational companies. And all these things have impacts, so I would, you know . . . The minister knows my position on the PST on construction.

I want to get just a little bit more specific to see if there were lessons learned. Because competitiveness is incredibly important for us to maximize value for the public and to capture opportunities that it seemed to me that the significant pea processor that was at the door of the GTH [Global Transportation Hub] just a few years ago seemed like a really good fit and a great opportunity — \$400 million of investment sitting there seemed to me sort of fitting the case that had been made out of the GTH. And then we lost them to Portage la Prairie, my understanding, kind of late in the game.

And I'm aware that there's some, obviously there's different factors that a company — in this case, you know, a large company — when they're scanning their environment where they're going to place their investment. But I'd like to hear from the minister as to what lessons he may have learned or which lessons this government may have learned in that specific case.

**Hon. Mr. Harrison:** — Well you know, obviously I'm aware of the specific instance the member is referring to. What I would



say though, I mean we are dealing with, at any given time at Trade and Export and before that at Econ and before that at Enterprise, you know, we're dealing with literally dozens of potential investors if not hundreds. We would be dealing with hundreds at any given time.

So you know, we would try and work with companies. We do work with companies. You know, we'll ask them, what's your objective? What are you looking to do? And we'll give them a number of scenarios that might make sense. And you know, sometimes we end up with successful investment that comes to the province, and sometimes we end up with companies that decide to make an investment, you know, in another jurisdiction or another country, another part of the world.

I mean they're making decisions sometimes on the basis of factors that, you know, have little to do . . . or that we would have little impact over being able to control. But you know, we still work with all of these companies to try and do our best, put our best foot forward as far as attracting that investment. There's certain areas where we have, you know, significant competitive and comparative advantages with other jurisdictions.

So you know, I'm not going to get into the specifics of every individual case for a bunch of reasons, but I would say that the lesson I've taken out of working with companies, many of them directly over that period of a decade or more, is that, you know, you do what you can. You put your best foot forward. But sometimes I mean there's just things that are going to be beyond the ability of the province to address. And that occurs, and it happens. And on other occasions you're in a position to manage through some of the challenges and be able to attract that investment. So that would be, you know, I guess if there were a lesson to take away from any kind of aggregate, that's what it would be.

But I mean the issue around competitiveness, I've spoken about this, you know, in a significant way over the last couple of years. I think that the macro-level competitive environment that we have in Canada right now is probably the biggest concern I have economically. And it's not specific to any individual subnational jurisdiction, but the overall view that, particularly, businesses in the energy sector and the mineral mining sectors have of Canada as a place where you can actually successfully invest, I'm very concerned about that.

I'm increasingly concerned that we are being seen as a jurisdiction where you can't get there from here, whether that be on pipelines . . . I get it from companies, you know. And we meet with companies from all over the world that say, like how you guys have the most extensive energy reserves of any country on the planet — save one, other than Saudi — and you can't get a pipeline built? Really? You guys have, you know, the most sustainable and successful and safe mining practices on the planet, yet you can't get mines improved and you're making it harder through C-69? Really?

And you layer on top of that, competitiveness issues that the federal government have put in place whether that be a carbon tax, which I've spoken about a little bit, whether that be the clean fuel standard, which could be even more impactful than other measures that have already been done — incredibly prescriptive regulation in different parts of the energy and resource sector that

have been very costly for compliance by industry, which are entirely unnecessary in how prescriptive they are.

Industry would manage these issues, you know, if given an opportunity to do it in a perhaps different way. But the federal government are unwilling to even countenance discussions about any of these things unless they're prescribed from the ministry of, you know, Minister McKenna's shop.

So what it all adds up to though is . . . I mean we can have our debates internally about, you know, what the right policies are on these things, but what it's added up to internationally is a perception that Canada is a place where you can't get anything done. And therefore if you have investments to make in the energy or resource sector, you best look elsewhere to make those investments, even in jurisdictions where we have significant, you know, we should have significant advantages on a whole bunch of fronts. I mean security, I mean political stability — all of these sort of things that add up to Canada should be where you're making these investments. We're not; we're losing them.

And we've seen foreign direct investment in this country go from, you know, \$120 billion a year through most of the tenure of the previous national government to under 30 last year. There's a reason for that. It's because international investors are voting with their feet and taking their money elsewhere.

This is a very, very acute issue that is facing the country and obviously is having an impact on us because of the fact that we have massive amounts of investment that should be coming here, should be coming to Alberta, should be coming to Manitoba or British Columbia, that's going elsewhere. Because you walk through the door and say, we're from Canada. Well that's interesting but we're not interested in investing there.

So this is a problem globally. It's getting worse. And I'm not entirely sure how it's going to get better given the policy trajectory that the federal government are on.

**Mr. Wotherspoon:** — Mindful of the time here. There's a lot there and a lot of shared interest and a lot of space that we can work together constructively, because certainly capitalizing Canada and Saskatchewan is incredibly important. And certainly we have been active on so many of these files.

The pea processor that was mentioned, I mean it just seems like a real lost opportunity. I think it's, you know, becoming a \$2 billion operation now in Portage la Prairie, would've been a good fit where, I think, the preferred location originally was, there at the GTH. So it seems like a lost opportunity probably worth revisiting. And maybe not, you know . . . For commercially sensitive information, maybe we don't need to get into it all here tonight, but probably worth revisiting for the minister as to some of those factors.

I do want to just get an understanding of the reduction to the budget around economic development within the budget here, vote (TE03), a reduction of about \$300,000. If the minister could speak to what's happening there.

**Mr. Campbell:** — Kent Campbell, deputy minister. That was really a reallocation of funding between divisions. So we had the international relations and trade policy group, which used to be

in Executive Council prior to the creation of TED [Trade and Export Development], and so there's cost-shared agreements with our lobby firm in the United States, Nelson Mullins's support for our China office. It was cost-shared between the Ministry of Economy and Executive Council. So now that we're all in one ministry, those were dis-consolidated into our international relations and trade division. That's why that . . .

[22:00]

**Mr. Wotherspoon:** — I see. So the reduction that's there doesn't manifest itself in any reduction in activities of government or . . . Just transferred over to a different space.

**Mr. Campbell:** — There was one position which we eliminated as part of the budget, that was vacant, and some operating dollars. But that was the only reduction.

**Mr. Wotherspoon:** — And you mentioned the contract with Nelson Mullins. What's the value of that contract and what's the deliverables?

**Hon. Mr. Harrison:** — Yes, so the portion paid by Trade and Export is \$245,000. You know, and this contract's been in place for now a significant period of time. And there's been, you know, political discussion back and forth about it. But you know, I would say having, you know, worked with the firm for a number of years, the value that we get is very, very significant. Insight into the administration is very valuable. Working through them to, you know, establish and maintain relationships with key decision makers has been a really significant and important thing.

You know, we . . . I can't get into kind of all of the, you know, information that we are provided. I think ultimately that probably all was made public, at least the stuff that's not commercially sensitive. I'm not entirely sure how that all works. But we've been getting very, very good service and, you know, very good information about, you know, potential approaches and things that have actually really benefited the province.

**Ms. Banks:** — I can just add. On the Premier's visit in 2018 to Washington, Nelson Mullins was able to secure meetings with seven members of Congress representing Republicans and Democrats, as well as a number of key members of the US administration, including the Secretary of Agriculture, the Secretary of Commerce, the head of the Environmental Protection Agency, and the Director of Office of Management and Budget, Mick Mulvaney, who actually now serves as the president's chief of staff. So very high-level meetings with key decision makers is another key piece that they bring to us.

**Mr. Wotherspoon:** — Thanks for the information. Of course there's been some discussion about the contract, I guess. The deliverables matter. And right now we're in tense times where our trade relationship has been walked back with our valued partner. We talked about steel. We talked about aluminum. We could talk about uranium on that front as well. Of course we could talk for many, many years about softwood lumber, but there's a lot of work to do down there.

Now would this firm, would they be sort of the lead actor in helping provide insight into direct engagement on these files for your ministry?

**Hon. Mr. Harrison:** — You know, I would say that they provide very valuable insight and information as far as engagement with the United States.

One other thing we put in this budget — and I'm sorry, I want to get it on the record — as far as the increased contribution to the Midwestern Legislative Conference. And it was something that we had worked with the Legislative Assembly Service on in a bipartisan way with through the Board of Internal Economy so that there was going to be a full membership in MLC [Midwestern Legislative Conference]. So the LAS is paying for half the membership. Trade and Export is paying for half of the full membership. But what that means is that all of the members of this Assembly are able to participate as full members in the Midwestern Legislative Conference.

And where I'm getting to with this is the value of subnational engagement. We utilized Nelson Mullins for the very high-level engagement and the ability to work directly with cabinet secretaries and, you know, senior members of Congress, which is very important. But what's also very important is the relationships that are built at a subnational level between legislators on both sides of the aisle.

So I've been very encouraging of members from our side, and I would be equally encouraging of members from your side to . . . And there has been engagement historically at MLC. But I would really encourage members to take advantage of the full membership that the province of Saskatchewan has in the Midwestern Legislative Conference to engage with counterparts from across the western United States. Because honestly, this is how we were able to advance through the USMCA negotiations. And we're often able to push back ultimately at the negotiating table nationally because of pressure coming up from US legislators at the state level.

And why did that pressure come up? Well it came up because of engagement and an understanding of the importance of the bilateral relationship between, whether it be Saskatchewan and Montana or North Dakota, I mean, fill in the blank. I mean, that's why. So there's a multipronged approach to engagement with the United States. Nelson Mullins is a part of it, but it's also incumbent on all of us to be engaging with our subnational counterparts and reminding them of the importance of the relationship.

Steel is an example where I think we can make progress, but we have to push the administration in a particular direction, because they have to understand it's in their political interest that they take a particular economic decision. And that often comes because of the pressure from, or understanding that comes because of the relationships that exist.

**Mr. Wotherspoon:** — I appreciate the value of the engagement and I've had engagement as well on these fronts, and it's critical to advance these files. It's just awfully frustrating to see some of the agreements that were in place and the relationships in place walk backwards so significantly on many fronts, but certainly with the United States, multiple items.

I'd like to get a sense of the activities over at STEP, the Saskatchewan Trade and Export Partnership. Of course they're engaged in very important work for their members. Maybe first

I'd like to get an understanding of sort of any changes to . . . if there's any trends or changes to membership activity, levels of membership.

**Hon. Mr. Harrison:** — Well good question. I'll maybe turn it over to Kent. I'm not aware of any significant changes. Budget is, you know, status quo from last year with regard to our contribution to STEP, which is a not insignificant one. I think it's about a 90 per cent contribution to the operating budget of the organization. The rest is comprised of membership fees, but I'm not aware of any significant changes. Maybe Kent can speak though.

**Mr. Campbell:** — Yes. Thank you, Minister. So quite stable at STEP. So this year the organization had a target of 290 regular memberships. They came in at 245. They had a target of 150 in terms of associate. They came in at 118. So those are quite ambitious targets, but it's quite stable year over year and typically they're retaining about 85 per cent of their membership year over year.

And those that tend to stop using the service are really ones that haven't . . . They've either had a change in ownership and they've, you know, become a part of another member or they just haven't really utilized the service. And certainly they've done a lot of work in terms of member satisfaction. And the most recent data we have, they targeted . . . a target of 85 per cent client satisfaction, saying they were either very satisfied or satisfied with the service, and they received 98 per cent satisfied or very satisfied this last year.

**Mr. Wotherspoon:** — That's a positive report for sure. And what's their focus this year? What sort of initiatives are they prioritizing?

**Mr. Campbell:** — So you know, a lot of it is . . . I mean the majority of the work is in obviously assisting, you know, exporters accessing new markets. Their market access program where they actually help with some of the costs for companies to go to international markets is really, I think I would say, their most popular program, and that's of particular interest to small- and medium-sized enterprises who wouldn't necessarily be able to do that. So that's obviously a big focus.

Another thing that they're really focused on is doing incoming or reverse trade missions where they invite buyers to come here and meet with companies in Saskatchewan, and that certainly then allows . . . And we work with them quite closely on that to set up broader programs for certain companies. And so, I mean they're engaged throughout the world, right? And so obviously they target some of the big markets like China, but they're active in a whole bunch of emerging markets as well.

**Hon. Mr. Harrison:** — There's a recognition that we have some significant opportunities for market development given the new trade agreements that we have in place, particularly TPP [Trans-Pacific Partnership], which opens a huge market which previously had been virtually inaccessible owing to massive tariff barriers. It just made the economics not work for exports. So we have genuine opportunity there.

STEP is working directly with companies, particularly SMEs [small- and medium-sized enterprise], to be able to access and

pathfind some of these opportunities. You know, where government can play a role is creating the conditions for companies to do business with companies, and that's what we've really embarked on — a concerted and I think well-thought-out campaign to do that.

So that comprises STEP. That comprises officials in Trade and Export Development. That encompasses the minister being directly engaged, and the Premier as well. And there just really . . . This is a time where we really can make inroads, and I think it's extraordinarily important, given what we've seen as far as bilateral trade relationships which have become problematic, to develop markets where we perhaps haven't been before maybe because we had, you know, tariff barriers in place or because we never really thought to go there.

So I think that there's opportunity in a number of . . . particularly the ASEAN [Association of Southeast Asian Nations] region where we have huge opportunity. And we're going to continue to engage directly because I just, I really believe that there is tremendous opportunity to sell what we have because the world wants what we have.

**Mr. Wotherspoon:** — Thank you, and an important focus and region, for sure. And I think not to be overlooked as well, though it's a distracted region just now at least from the UK [United Kingdom] side of the equation, but the United Kingdom, Britain, you know, and the European Union presents a lot of opportunities.

I just want to touch . . . I think we're almost out of time. The final question would just be, I think, from the minister's . . . The action plan or the goals for the year lay out what they characterize as wins, and that's a goal of a billion dollars. And then there's also targets set around capital investment. And I'd just like, I guess, comment on . . . Now I think last year the win was, a billion was the target as well, and I'm not sure what the capital level of investment. This year the target's 16 billion on that front. If the minister could just comment on the performance or whether or not we met targets last year on that front.

**Hon. Mr. Harrison:** — Yes. I might let Kent speak to the specifics but we, you know, put that in our operational plan every year; well I guess two years now with Trade and Export. But you know, we believe that we need to have targets, that that's, you know, what we build our entire operation around. It's the integral part. I mean, you can see it's on page 4 of our operational plan for the year, so it's pretty significant. And, Kent, maybe you want to speak to it.

**Mr. Campbell:** — Yes. So in terms of the \$1 billion referenced, those are what we consider to be projects where our staff was actively involved in attracting the investment, working with the company. And so for this past year, April 1st of last year to March 31st, 2019, we've recorded what we count to be 34 investment wins in terms of company investment where we played some sort of a facilitative role. And that translates into an investment total of about \$940 million, so just a little bit short of the target but a very, very good result. It's actually . . . We increased that target. I think it was last year. And so we're really quite happy with that, but obviously we want to continue that moving into next year.

[22:15]

In terms of the capital investment numbers, I don't know if we have the capital investment numbers in yet for 2018, so I really can't comment specifically on whether we met that target again. But that's one that we think is important moving forward.

**Mr. Wotherspoon:** — At this time here, recognizing the time, I just would want to say thank you very much to the minister and to the officials that are here tonight, and all those others that are doing this important work throughout the year, all those in industry that are there making things happen. Some years we get a lighter discussion at this table with lots of good news, and there's lots of hope and opportunity and good news to be accounted for.

But there's a lot of real challenges right now, as we identified, with long-standing trading partners and allies that have really put us in a difficult position. And so resolving the canola matter and trade with China is critical as we move forward certainly, you know, steel and uranium and softwood lumber with the United States, and pulses with India, and durum with Italy.

And of course the list goes on, but it's really important work to the people of this province. So thanks for the time here tonight, and best wishes with that important work.

**The Acting Chair (Mr. Michelson):** — Thank you, Mr. Wotherspoon. Minister Harrison, would you have any closing comments?

**Hon. Mr. Harrison:** — Just very briefly. Thank you to Mr. Wotherspoon for his comments, his insight. I appreciate the discussion every year that we have the opportunity to have.

I want to thank committee members for their attention and attendance here tonight, and very much want to thank officials who just do a great job and who I am very thankful for. We have a great team at Trade and Export and I really enjoy working with them, so thank you.

**The Acting Chair (Mr. Michelson):** — Thank you, Mr. Minister, and thank you to your officials. And the time being past the time . . . The time being past the committed time, I would ask a member to move a motion for adjournment.

**Mr. Buckingham:** — I'll do that.

**The Acting Chair (Mr. Michelson):** — Mr. Buckingham has so moved. All agreed?

**Some Hon. Members:** — Agreed.

**The Acting Chair (Mr. Michelson):** — Carried. This committee stands adjourned to the call of the Chair.

[The committee adjourned at 22:17.]