



STANDING COMMITTEE ON THE ECONOMY

Hansard Verbatim Report

No. 47 — June 18, 2020



Legislative Assembly of Saskatchewan

Twenty-Eighth Legislature

STANDING COMMITTEE ON THE ECONOMY

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Lloydminster

Mr. Yens Pedersen, Deputy Chair
Regina Northeast

Mr. Buckley Belanger
Athabasca

Mr. David Buckingham
Saskatoon Westview

Mr. Eric Olauson
Saskatoon University

Mr. Doug Steele
Cypress Hills

Mr. Lyle Stewart
Lumsden-Morse

[The committee met at 16:00.]

The Chair: — All right. Good afternoon, everyone, and welcome to the Standing Committee on the Economy. I'm Colleen Young, and I'll be chairing today's meetings. And we have with us as well member Trent Wotherspoon sitting in for Buckley Belanger, and we have members David Buckingham, Eric Olauson, Doug Steele, and Lyle Stewart as well.

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

Subvote (IC01)

The Chair: — We are here for the consideration of estimates for the Ministry of Immigration and Career Training. We will now begin with Immigration and Career Training, vote no. 89, Immigration and Career Training, central management and services, subvote (IC01).

To facilitate any physical distancing and to minimize surface contact, we would ask all witnesses to please answer any questions at the stand-up microphones provided in the Chamber. State your name for the record before speaking, and if the minister needs a private space to confer with officials, he may use the hallway or the vestibule at the back of the Chamber here.

So Minister Harrison is here with his officials. I ask you to begin by introducing who you have here with you today and then begin with any opening remarks you may have.

Hon. Mr. Harrison: — Sure. Well thanks very much, Madam Chair, and firstly I want to thank you, Madam Chair, and members of the committee and LAS [Legislative Assembly Service] staff for accommodating an earlier start to this committee meeting, which originally was to be at 6 o'clock tonight. Proceedings in the House wrapped up a little bit earlier than had been expected, and I want to thank committee members and thank my friend from Rosemont as well for accommodating an earlier start to this meeting.

I will introduce my officials, and maybe I'll just ask them to give a wave as they're introduced: Clint Repski, deputy minister; Darcy Smycniuk, assistant deputy minister; Christa Ross, assistant deputy minister; Denise Haas, chief financial officer; Neil Cooke, director, financial compliance; and Jeff Ritter, the CEO [chief executive officer] of the Apprenticeship and Trade Certification Commission.

Madam Chair, I'm pleased to present the Ministry of Immigration and Career Training estimates for budget 2020-21. This budget will help us recover from COVID-19 and rebuild our economy by continuing investments in programs and services to help employers develop, recruit, and retain a skilled workforce. The Ministry of Immigration and Career Training's budget of \$170.2 million includes an overall net increase of \$2.1 million over last year. In addition to our programs to help employers recruit and retain employees, our programs also help individuals prepare for, obtain, and maintain employment. These include apprenticeship training, the Canada-Saskatchewan Job Grant, support programs for newcomers, adult basic education,

employability assistance for persons with disabilities, and the provincial training allowance.

The ICT [Immigration and Career Training] budget also includes \$578,000 for foreign qualification recognition, FQR, an increase of \$325,000, 129 per cent, over last year. This will enable more opportunities for internationally trained professionals to gain work experience in Saskatchewan. In addition, the workforce development budget has increased by \$1.3 million and will support a variety of programs and services for individuals. These programs and services include vocational assessments, career counselling, job readiness supports, academic upgrading, basic skills training, job coaching, and other individualized employment-related supports.

In addition, today we announced a new temporary training program to help businesses train employees to enhance safety protocols and adjust business models as they reopen. This program is called the Re-Open Saskatchewan training subsidy. The program will reimburse eligible private sector employers 100 per cent of employee training costs, up to a maximum of \$10,000 per business, to mitigate against additional financial impacts from training required to support their safe reopening. And I would like to thank our partners in the business community and others for consultation during this process and the design of this program. Their input was of pivotal importance in making this program what it is. We estimate that the program will cost \$2 million and will be funded by a reallocation of the existing Canada-Saskatchewan Job Grant budget.

Through these programs, the 2020-21 budget will help our economy recover, support job growth, and grow our population. Over the past few months we've seen the importance of the programs ICT provides, and I want to share one specific example with the committee as an example of what ICT does so well.

A few weeks ago we received a notice from a company of their intent to lay off 29 staff. Our staff immediately contacted the company to offer our rapid response services. These include sessions for employees from Labour Market Services and Service Canada, co-ordinated as per request of the employer. They also provide additional information and guidance on the various government programs available to support businesses through COVID-19. The company then submitted an application to the Canada work-share program and ICT staff were able to work with Service Canada to get this company's application expedited through the process. As a result, this company rescinded their layoff notice and 29 people still have a job. This is the kind of work ICT has been focused on over the past few months, and it demonstrates the importance of the programs and services that we provide.

In closing, we've seen the resilience of the Saskatchewan people and businesses throughout these past few challenging months. The economic indicators, such as exports and job numbers, show that Saskatchewan is in a stronger position than many other jurisdictions to get through and recover from this pandemic. This budget will help to build a stronger work force, a stronger business environment, and a stronger Saskatchewan. Thank you, Madam Chair, and I am pleased to take questions from the committee members.

The Chair: — Thank you, Minister Harrison. And I'll open the floor to questions from members and recognize Mr. Wotherspoon.

Mr. Wotherspoon: — Thank you, Madam Chair. Thank you to the committee members and the minister, and thank you to all the officials that have joined us here tonight, and all those that are engaged from afar in the daily work of these very important portfolios that we'll take a look at here tonight. And thanks to everyone for adjusting on the time here tonight. We would've concluded at 10:30 tonight and it's about an hour past my bedtime, so this is much better.

We have a few questions that I think most critics are sort of checking in with most ministries on so I'll just start with a few of those, and we'll get into the specific ministry cues. Just looking for a bit of an update around what's happening with the FTEs [full-time equivalent] across the ministry right now, and I guess what changes might be occurring, and if they're being redeployed or anything like that.

Hon. Mr. Harrison: — Sure. No, I appreciate the question, and I will ask one of our officials if they could provide a detailed response on that for you, Member.

Mr. Repski: — Sure, if it's okay, I'll start. So I look at the FTE numbers that we have in the ministry. It's virtually unchanged from last year in terms of utilization. We're moving from 283.9 to our projected amount is 282.9, so about a one FTE difference.

Mr. Wotherspoon: — Any redeployments within the ministry?

Mr. Repski: — In terms of between branches, divisions?

Mr. Wotherspoon: — Sure, that's right. Within their assignment, any reallocation of resources within?

Ms. Haas: — Denise Haas. We actually had five employees that were redeployed to assist with the northern checkpoints, and we had at least one employee that was redeployed within the ministry to help out on critical areas and priority areas.

Mr. Wotherspoon: — Thanks so much. And those folks that were redeployed for the northern checkpoints, they're back into service now. Is that correct?

Hon. Mr. Harrison: — Yes.

Mr. Wotherspoon: — Yes, good. What's the plan around out-of-province travel within this ministry for the minister or ministry, I guess, previous fiscal and the plan ahead?

Hon. Mr. Harrison: — Sure. Yes, I'm happy to speak with regard to the minister, and officials can speak to the officials component. You know, with regard to this particular ministry, there is not a lot of out-of-province travel. And if there would be, it would be to do with a federal-provincial-territorial meeting. What we've been doing though, would be across government in ministries, has been FPT [federal-provincial-territorial] engagements in the COVID era have all been through electronic means, so teleconferences.

I believe there's going to be a video conference meeting for the

labour market ministers this summer, because there had been a meeting scheduled. I think in July in New Brunswick was the original plan for labour market ministers, but that meeting will be occurring through electronic means. So I wouldn't anticipate there being out-of-province travel from the minister's perspective unless something changes pretty markedly. But I will turn it over to Clint for officials.

Mr. Repski: — So from a ministry perspective, virtually the same. We've been doing a number of conversations regionally across the province, interprovincially, conversations with our federal counterparts — they've all been done virtually. I don't see anything on the horizon right now that's going to change that in the near future. But again we'll respect the chief medical health officer in terms of recommendations around border changes and openings and that sort of thing. But for the foreseeable future, probably zero.

Mr. Wotherspoon: — Thanks so much. And I guess just to get a quick sense, the year that we just closed, what did that look like for the minister out of this portfolio?

Hon. Mr. Harrison: — It's a good question, and I don't have it right in front of me. I'm not sure if we did any out-of-province travel this year from ICT's perspective. There may have been an FPT, and I'm looking for guidance from officials on that. I can't recall off the top of my head though. We'll take a look . . . [inaudible interjection] . . . Oh, okay. Okay. So Denise informs me that there was no out-of-province travel for the minister this year.

Mr. Wotherspoon: — That's good. I might come back to some of those, but I want to get into some of the other stuff. So maybe focusing a bit on immigration first, back in December it was announced that Saskatchewan was seeking more control over immigration. At that time I understand the Premier wasn't sure what percentages he wanted to see for the various classes, and I'm just wondering if there's clarity on that front.

Hon. Mr. Harrison: — Yes, I can offer some thoughts on that. The overall objective, and this had been agreed to by the immigration ministers' table a number of years ago as far as the overall percentages of migration into Canada, and that target was 70 per cent economic immigration across the entire country. And that was the national government's target as well.

Saskatchewan runs higher than that as far as economic migration. I think we're into the mid-80's or so, is our proportion of economic migration. The SINP [Saskatchewan immigrant nominee program] program is a purely economic migration stream, which the member knows. And the federal government accommodate a number of economic streams but also the non-economic streams, which include family reunification and a number of other parts of this.

So you know, honestly, in the last three months, we've been dealing with the pandemic response almost to the exclusion of other files in government, so there really hasn't been, since the mid-March period, a whole lot that has moved on the policy front on this. But I can tell you where I've seen it going, and you know, I would liken it to a degree to how labour market programming has developed in this country over the last 25 years or so.

Because there had been a dual responsibility for labour market programming up until about the mid-1990s, you had significant duplication of effort. You had significant duplication of resources, challenges in coordination between the national and the provincial governments, and frankly, the provincial governments who delivered these programs better than the federal government in the fact that we are closer to those who are in receipt of them.

[16:15]

So what you've seen over the course of the last 30 years in labour market development has been a devolution of the resources to provincial governments through the labour market transfer agreements. And all of that funding essentially was transferred in the 1995 Martin budget, and I think you would find provinces who would have said at that point that it wasn't sufficient funding, that basically the federal government downloaded labour market training entirely onto the provinces without the resources attached to do it in the proper way.

But I think what you would find provinces saying today though, after 20-plus years of development, is that we are very glad that happened. Even though the resources at that time were likely, you know, not sufficient for what was being asked of provinces to deliver, the way that we've been able to manage, grow, and the efficiencies that we've been able to find through the delivery of labour market programming has ended up in a situation where both the federal government and provincial governments say this is the best way we can do it.

I would really see a parallel policy process in place with immigration, where you're always going to have a federal component to immigration, and a rightful one as far as background checks and security checks for those who would make applications. So there is always going to be a joint relationship in this, as there is with labour market programming as well. I mean, the dollars don't come with no strings attached from the federal government. There's reporting requirements and all of those, which we've made work. It's still a developing field, by the way, but we've made work.

And I think you're going to see that with immigration as well, where provinces who now have much more mature provincial nominee programs that have really grown over the last 15 years, in the case of this province, from virtually nothing to a program now which is responsible for a large proportion of our migration into Saskatchewan, and all of the administrative experience and competencies that come along with a long administration of a particular policy area.

What you're going to see as a part of that natural evolution and development is more of the administrative authority that the federal government exercised devolve to the provinces. And that is going to mean that now provinces only have authority for economic components, economic streams. There's a long process to revise or design new economic streams through your PNPs [provincial nominee program]. That is going to evolve to the point where provinces have more authority and there will be devolution eventually from the federal government for non-economic streams.

And I've really been trying to push that with colleagues across

the country, and I've been very fortunate to be in this file for, you know, a lengthy period of time and have got to know the policy component of it pretty well. And you know, it's something I see as being a really interesting area of public policy, but incredibly important for provinces as well. And I would say disproportionately important for a province like ours, where the provincial nominee program makes up such a large part of our migration into the province, compared to a province like Ontario, for example, where federal streams make up a much larger proportion of their migration.

So I think there's a coalition. I think there's a confluence of interests amongst provincial jurisdictions of, you know, whatever political stripe to work together to advance a common position with regard to the furtherance of provincial authority over different elements of the PNPs. So I would say that it's a continuing discussion. And I've said this to media who have asked about it, this is going to be an evolutionary, not a revolutionary process.

I think it's something that we can do in collaboration through the Immigration minister's table and working collaboratively with whatever government of whatever stripe that there is, because it actually makes sense for this to happen. In a completely non-partisan way, this makes administrative and economic sense for provinces like Saskatchewan to have more authority over program design when it comes to international migration.

So I'm not sure if, Christa, you want to offer anything as well. I'd invite you if you wish to though.

Ms. Ross: — Hi. Christa Ross, assistant deputy minister for Immigration, employment and career development division. Thank you for the question. I think on the topic of immigration autonomy, there have been some discussions at the ministerial level and they're now working their way down to the officials level.

So we are just starting to have conversations with our federal counterparts on an approach and a plan and a timeline about how to go about renegotiating the Canada-Saskatchewan Immigration Agreement. So this is the agreement that really governs the provincial nominee program, the Saskatchewan immigrant nominee program. The agreement is from 2005, so I believe it is now the oldest one that we have in the country. So it's definitely time for a refresh and a relook at how we work together and what the provincial role is in immigrant selection and settlement in the province.

And in terms of, you know, the breakdown and percentages, as the minister pointed out, we're in a bit of a unique position in Saskatchewan in that about, you know, 75 to 80 per cent of newcomers coming to Saskatchewan are coming through economic immigration streams. About 70 per cent of those, consistently for the last 10, 12 years, have been coming through the Saskatchewan immigrant nominee program. So it is a very important program for the province, for labour market, and for our continued growth.

So you know, being about to arrive at a new agreement where we have a bit more autonomy over how we design and implement that program will be important in making sure that, you know, the investments and settlement services really do align with our

own priorities here in Saskatchewan.

And it actually come out of a meeting from the Council of the Federation just last summer. They also agreed on an ask to increase economic immigration to the county to 65 per cent. You know, in past years as the minister pointed out, there has been discussion about that being 70 per cent. And I think that is still a goal. And what we have right now based on the federal levels plan, we're at about 58 per cent is economic with the remainder being non-economic. So those discussions are very much still alive and ongoing.

Hon. Mr. Harrison: — If I could add further . . . thanks, Christa. That was very good. I think on two of the items Christa hit on, settlement funding being a part of the renegotiation of the agreement is an important one because we really do have significant overlap and ambiguity as far as federal versus provincial roles in settlement funding.

And I think on occasion . . . We work hard. We try to not have overlap, but the reality is that there ends up being duplication of service in some areas and gaps in others. And it's because the coordination is a challenging thing when actually doing the program delivery through third party providers, which is how it's largely done. So we really do need to do a better job.

And that's an example of where provinces would be in a better position to work with the third party providers through a single funding mechanism to ensure that the whole gamut of settlement services would be provided without gap or overlap. And you know, I think you would find a consensus view on that, or at least you would find a strong number of provinces that would share that view. Quebec, for example, has entire authority over their settlement funding envelope. The federal government essentially transfers it through their agreement and Quebec delivers those programs, and has for over 30 years.

And I have spoken to Minister Mendicino on a number of occasions and it would not be a surprise to him at all to hear what I'm talking about in this committee this afternoon. So I think we can do a lot better on making sure that ultimately this is about making sure newcomers have the best possible opportunity to be economically successful in our province as possible.

So we need to work together at the federal and provincial . . . and you know, to a degree working with municipalities, but mainly third party service providers to do a great job of delivering these services to make that as effective as possible.

And the other thing, you know, with regard to the levels, there has been a slippage. I mean we have gone from, I think it was in the high . . . At one point we were in the mid- to high 60's with regard to a national economic migration of the economic variety being in the mid- to high 60's. And that's really fallen back in the last number of years. And you know, what I've posited to the federal minister is we are very fortunate in this country that we have a multi-partisan consensus that migration is a positive thing. It's really quite unique actually to industrialized countries around the world that you would find a multi-partisan consensus that this is a positive, a net positive. And I think the reason that you have that consensus in favour of what are very high comparative numbers of newcomers to the country is because people can see first-hand the benefits, and can see first-hand the value that is

brought from having migration, both in an economic context but a cultural one as well.

I'd speak to, you know, an example being Meadow Lake, right, my hometown. You know, over the course of the last 10 years or so, we've gone from having, you know, a handful of newcomers to now having, just the Filipino community alone, over 400 people and, you know, who really are the backbone of a whole number of different economic sectors from working in the mills to all kinds of different areas. So people can see first-hand this is a good thing. Having people coming from around the world to Saskatchewan is a great thing for our economy and our communities, many of which had been, you know, shrinking, had all kinds of challenges that are associated with that as well.

So you know, I worry that if we go from the mid- to high 60's, economic migration getting down to the mid-50's, you are going to see at that point questions from different elements as to the value. And that's where I worry. And this is the point I've made to the federal government is to maintain our multi-partisan consensus in as robust a way as we do. We want to make sure that economic migration continues to play a very, very important role. And it's not to minimize other elements of migration, but we need to make sure that we have and maintain and are aware of just how unique we are in Canada in having this across-the-board support. So you know, long kind of answer to that, I guess, but it's a subject I know many of us in ICT are pretty passionate about.

Mr. Wotherspoon: — No, I appreciate the information as well as some of the, you know, upcoming timelines around the agreements and some of the positions that have been put forward by the province. Also I recall back in, maybe it was December — yes, I think in December — I heard your voice around recognition of the value of the family class of immigration. Of course this is very important to those that have settled within Saskatchewan, within our communities. I appreciated hearing your voice on that front. I'm just looking to follow up on that to see, you know, where that conversation has gone and if you have something to report back to us as to your engagement with the federal government on this front.

Hon. Mr. Harrison: — No, I appreciate the question and I think I covered most of that in parts of the previous response. But you know, the family reunification category, for example, these are entirely federal streams and the federal government has maintained authority over that stream. Like I said though, I think that there is going to be a natural process of transference of authority with regard to streams that are now entirely in the purview of the national government to being either shared or eventually entirely within the purview of provincial governments. And this is one of them and we've, you know, made this point to the federal government.

But you know, as far as kind of the recent discussions, you know, a lot of that since the pandemic has become what it is have been put on hold. But this is going to be a continuing discussion we're having with the federal government and, I think, in coordination and co-operation with other provincial governments as well.

Mr. Wotherspoon: — Thanks for that. I know in mid-December it was indicated that there was going to be a formal submission. And you've spoken about representing Saskatchewan's position,

so I don't know if that's what we're talking about here. I suspect. I guess you've shared a little bit where there's been . . . It seems to me anyways that there's some positive reception from the federal government as well. You've shared that there's, you know, sort of a decent consensus with, you know, provincial ministers on this front. What has been the response from the federal government on this front?

[16:30]

Hon. Mr. Harrison: — You know, I think the federal government are open to engaging in the discussion, and you know, I've used the example with federal ministers about the progression on labour market training, labour market development programming because I do think it's an appropriate analogy. And you know, I think we will get to that point.

There's going to be continuing discussion of work. It's not as easy as just kind of flipping a switch and, you know, provincial governments having authority. There are issues around capacity. There's issues around resources. There are issues around how that coordination happens and reporting requirements work. And these things take time. So it's, like I said, not going to be a revolutionary thing. There is going to be a process that takes time, and you know, there will be ups and downs I'm sure in all of that process as well.

But ultimately I am confident that provincial governments, Saskatchewan being amongst them, will have the opportunity to assert much more significant authority and control over immigration programming because it actually makes sense. That's the reason. At base, that's why I think we need to move in that direction. It actually makes sense. We know our province better, we know our labour market needs better, we understand our communities better. It's not any particular slight on the federal government. It just actually makes sense from a policy, economic, and other perspectives as well.

Mr. Wotherspoon: — I appreciate that as well. When we're looking at the . . . just trying to get a sense, and I think it's been spoken to. I just want to break it out a little bit, sort of, the volume of immigration that the province currently has that, you know, that accounts through the SINP. Now I think it was noted at 70 per cent of 75 per cent of economic immigration, I think.

Hon. Mr. Harrison: — Seventy is the total, I think.

Mr. Wotherspoon: — Seventy is the total. So the SINP program itself is accounting for 70 per cent of the total immigration to Saskatchewan right now, I believe.

Hon. Mr. Harrison: — Christa, I'll . . . Christa is shaking her head yes.

Mr. Wotherspoon: — Yes. Thank you. I appreciated your comments, but I just wanted to touch on them just a bit as well, your comments around sort of the multi-partisan consensus of immigration being a net positive for the country and the recognition of that. And that is indeed a good thing. I would just, you know, make sure that I would want to have on the record that that doesn't sort of cast aspersions, that it's always as welcoming of an environment as it needs to be for those that are arriving from around the world.

And you know, racism is a real thing and a real problem for many within our province. Certainly many Indigenous people face racism, but so too do many of the people that are finding their home in Saskatchewan, building their lives here. So I think it's very important that we have the multi-partisan political consensus, if you will, that immigration and a diverse population is a very positive thing. But that doesn't take away from, I guess, the very important work that requires everyone to be involved in actions to address racism.

Would the minister care to, I guess, would you care to respond at all? I mean it's not your ministerial responsibility itself to end racism in Saskatchewan; it's all ministries and all of us and all organizations, and there's real challenges. But would you be able to speak at all to your role as Immigration minister, or your ministry? And certainly you have many third-party organizations that are actually out there on the front lines doing really meaningful work on this front leading, you know, dialogue and building understanding in the community.

Hon. Mr. Harrison: — Yes. No, I think the member said it well, and I would agree. I mean this is a systematic challenge that we have in the country. And we are working with those who are delivering the front-line programming and working, you know, as diligently as they possibly can to address the challenges that exist out there. So you know, I would just say, well said and, you know, we agree; I agree.

Mr. Wotherspoon: — Thanks for the recognition. I mean you've identified quite well sort of how Meadow Lake has changed over the years. And certainly I can, you know, speak for . . . You know, I see it throughout the province, but I can speak for Regina, watched how classrooms have changed and how learning of different faiths and different cultures and different traditions has, you know, really taken hold. And I've learned like an incredible amount. As an MLA [Member of the Legislative Assembly], you're active in the community and so many of the newer Canadian communities and various faith communities and various celebrations and cultural gatherings, you know. I've really been privileged to learn and grow through those experiences.

But certainly as well you build relationships, and you really do also hear some of the real harsh realities that folks are sometimes subjected to through racism that's alive and real and damaging within the province.

You had identified some of the overlap, or some of the challenge maybe, in administering some of the settlement services based on the fact that the federal government funds a good portion, the province funds some, and there's some overlap at times. And I think it was a suggestion that there could be more efficient ways to do that so there's not overlap. And certainly that's a good thing if we can eliminate overlap and make sure, you know, resources are going the distance where there might be gaps. And I think there certainly are gaps.

I just wouldn't mind hearing specifically to what the minister's hearing throughout his ministry and through the, you know, through those that are settling in Saskatchewan and from the agencies and organizations, what sort of gaps he's identifying and hearing as it relates to settlement services.

Hon. Mr. Harrison: — Yes. Well it's a good question. And you know, I would kind of go back to the central policy challenge being that we have, you know, the national and provincial governments that are providing program dollars for third-party providers to deliver programs. I think it would be fair to say that there has been a degree of improvement in the coordination on how those programs work together, but there are still areas of challenge.

And I might ask actually Christa, who had been in charge of the SINP program prior to her role now as an ADM [assistant deputy minister], if she could maybe speak to some of the challenges that exist.

Ms. Ross: — Okay, thank you for the question. So in terms of challenges with our settlement services and just the need for some coordination, I think just to put it into perspective, as you would see, our budget for settlement services is about 7.8 million. The federal government invests about 40 million in settlement services in Saskatchewan annually. And that's investments or funding that they are providing directly to third parties, so it doesn't flow through the province in any way or the provincial government in any way.

So scope and scale is quite different. So we do work very closely and we continue to try and improve the coordination we have with IRCC [Immigration, Refugees and Citizenship Canada] just to make sure that we are filling any gaps or finding particular areas that really align well with our mandate, because IRCC, when they look at settlement, they look at settlement integration. Their settlements are not just for economic immigrants but also obviously for refugees and for family-class newcomers as well.

So they focus a lot on, as one example, some of the lower levels of language training. So Canadian language benchmark levels 1 to 4. That's where they don't really fund anything beyond a CLB [Canadian Language Benchmarks] level 4. So that would be an example of one area where we've observed a bit of a gap, and we're trying to allocate our funding to fill that gap.

So looking at language provision for CLB levels 5 to 8, or more occupational-specific language training, that's an area where we're trying to fill a bit of a gap. And so we work closely with IRCC. You know, we'd love to get to a point where they sort of have responsibility for CLB levels 1 to 4, and then that frees up our funding to fill any other gaps.

I think, you know, that outcomes that we see for newcomers to Saskatchewan really speak to just how well the system is working. You know, we have one of the highest employment rates for newcomers to the province. It was 77 per cent. We have a really high retention rate and have consistently had that. So I think if we look at outcomes like that, it just shows that, you know, while there's always room for improvement, that the system of settlement and integration is working quite well in Saskatchewan.

Hon. Mr. Harrison: — I would just add as well, I want to give a lot of credit to Christa, her team, our officials, over the years at the SINP program. We take a lot of pride in and have taken a lot of pride in building a program from the ground up and really turning it into, you know, a program that is incredibly important for the province in a broad way, but a lot of pride in making the

program something that other jurisdictions look at as something to be emulated.

And we've seen that over and over again where other jurisdictions have taken as a template the different ways that we do things in SINP and have often pioneered ways of doing things at SINP and have taken that program design and emulated it in their own jurisdictions.

And I'm not taking, you know, credit for any of those initiatives, that's for sure. It's our officials who have done just a great job, who have a genuine dedication and pride in having what I have said before, the best provincial nominee program in the country. So I publicly want to say thank you to them.

Mr. Wotherspoon: — Well said as far as a word of thanks and recognition for all the officials. I'm just looking at, there's some of the labour market stuff that we have here and I'm enjoying this conversation, and had maybe a question or two more. And maybe this is not the appropriate way to ask for this, Madam Chair, or Minister. I know we have, like 8:30 is our time we conclude tonight, which I understand. Do we have any flexibility in going a few minutes past on this ministry before we shift into . . . as long as we keep that hard end at 8:30? And I'm sorry, I don't . . .

Hon. Mr. Harrison: — Well you're getting into my role as House Leader here now, Trent. I think it would be fair to say if we wanted to spend a bit more time on ICT, I would be fine with that being put against the, yes, putting against the Trade and Export time. I think if we just said that we would collectively have an agreement that that would be counted for the purpose of the sessional order in that way . . .

Mr. Wotherspoon: — I should have chatted with you on the side here, but that sounds great.

Hon. Mr. Harrison: — You have to talk to your House Leader. You don't have to talk to me about it.

Mr. Wotherspoon: — Yes. So thanks for that, then. I have just a couple more questions. Just the one is a more local and specific one before I shift to labour market development, and I suspect you might need to get an official to respond. And I'm seeking a bit of information here, is that there was a newcomer welcome centre that was working with the two school divisions here in Regina, Regina Catholic and Regina Public Schools, working with the Open Door Society. It was, I think, a three-way partnership.

I believe the funds were largely provided by the federal government, and I may be incorrect on that, but I know back in the early part of this year, those dollars were . . . it was, I think, identified they were coming to an end and that service was going to change. And I know that chatting with the respective school divisions and at the time they were open to a new model of how to welcome newcomers and to assess them and get them into the school system, but they weren't certain at that point what that was going to be or how it was going to be resourced.

And as I say, I think this might be a case where it was actually a federal fund that was coming to the end. I believe our Education critic may have done a bit of advocacy, or I know she did some advocacy on this front as well. So I'm just looking to see if

anyone has an update where that's at and how those services are now being provided and if there is some support in place.

Hon. Mr. Harrison: — Right. Well I'll turn it over to the appropriate official for a response.

[16:45]

Ms. Ross: — I think what you were hearing about was some changes that the federal government was indicating they're making and has since making. So in 2019 they launched a national call for proposals for the entire settlement sector. And that was to enter into new five-year agreements with service providers. And most of those agreements . . . I know they experienced some delays with COVID of course, but their intention was to enter into those new five-year agreements effective April 1. And what we probably heard from some of the same stakeholders, and that was back in the fall, was some concern around funding for settlement workers in schools, the SSWIS [settlement support worker in schools] model.

So that's something that the federal government funds. They're, you know, just as it sounds. It's to have a dedicated resource in the schools to assist newcomer children and their families with orientation and integration. So we had heard some concerns from a couple of school divisions around potential cuts or reductions to that role and the funding. But that hasn't been the case. The funding has remained intact for that particular function, the SSWIS workers.

But IRCC, the federal government has made some pretty significant changes to how they fund, and their model of funding for settlement services in Saskatchewan. So there are a few agencies who had some changes to their funding and some changes in the roles that they offer and services they provide in the community. But that's not to say that, you know, that those service providers didn't continue to receive funding for other services.

So some of the bigger changes that IRCC has made in their new agreements and their new model is to have a centralized needs-assessment process. So rather than being able to choose six different agencies who had some different form of a needs assessment and some different way of determining what you actually need, they've centralized that function, just as they have centralized language assessments in the province as well. So again, rather than, you know, choosing from 10 different service providers for your language assessment or your needs assessment, you're just going to one agency, and they're making referrals to the other service providers to meet those needs.

And another bigger change they made was to . . . at least for Regina and Saskatoon they came up with geographical zones. So Regina Open Door Society would be responsible for north Regina. Catholic Family Services will be more the south end. Regina Immigrant Women Centre would be from their location east of the city. I think that was based on some feedback that IRCC was hearing about gaps and just the challenges with accessing, like the basic access to some of the service providers. So they've tried to divvy it up geographically as well to make sure there's good coverage there.

Mr. Wotherspoon: — Thank you very much. I appreciated the

update. I know there was some concern over what would fill the gap in, you know, funding that supported the Newcomer Welcome Centre and folks were open to new ways of doing things. But what was critical was that they'd have some funding to be able to make sure that, you know, students were welcomed into the school system with proper assessments and support.

I think what's really been noted on that front is those settlement supports go miles. I continue to hear from educators, and it's so critical. I hear gaps on this front as well and I would raise them here and, you know, we'd raise them in Education. But if you're able to make sure that the support and entry into education is one that's supported, students will thrive.

And I hear the alternative of that. It can be a real challenge and ultimately, you know, you see the different roads and this is the case for lots of students. But you know, the alternative road of not finding success in those early days can turn pretty quickly into, sort of, the non-attendance experience at school. And that doesn't provide the kind of opportunity those young people . . . or to the province, you know, that we need. Thank you very much.

I'll shift along to the career side of the equation. Off the top, the central services line just out of the vote (IC01) is up. I'm sure there will be a reason for it. It's just it's up by 30 per cent, up by \$4 million. Just wondering what the cost driver is there.

Hon. Mr. Harrison: — Sure. And I'm happy to ask Denise to respond.

Ms. Haas: — Thank you for the question. And yes, overall in the whole central management and services, it is up 4 million, and that's primarily 3.7 million in capital for our modernization of agreements and programs and services, which is like a business transformation initiative that has an IT [information technology] component, and 220,000 for other centralized IT types of costs. So that's the primary changes in that subvote.

Mr. Wotherspoon: — And who's delivering those services?

Ms. Haas: — The ones where the capital is?

Mr. Wotherspoon: — I guess maybe break out then the capital and also the IT side of the equation.

Ms. Haas: — Okay. So the modernization of agreements, programs and services, which we call MAPS just because that's easier for me to refer to later. What it is, is as a ministry we're changing, we're transforming how we deliver services to our clients, right? We're moving from, you know, relying on a system that was 20-some-odd years old, who would not give any clients what they want today: 24/7 service, 365, online, with your phone.

So that's a whole business transformation initiative and that's on services that we provide, but a component of that also is that the CBOs [community-based organization] that we use to provide service can also report online to us. So it's really a tool that all of our clients will use, whether it's a service provider or a client looking for, you know, career counselling or you know. It touches all of them.

And how we would do contracts or any of those things, client relationship management, we will be able to have better tracking of results. And in the future, looking at all that data, we'll be able to have better analytics to know how that would impact our needs and future and whether we should be making any changes to any of our programming.

Mr. Wotherspoon: — The Commodore 64s weren't adapting well?

Ms. Haas: — You're right.

Mr. Wotherspoon: — Thank you very much for the information. Looking more into some of the labour market program pieces and, I guess, vote (IC04), the budget is largely a zero-change budget by way of increases. And you know, I guess I just want to assess, you know, the decision and rationale around that.

You know, it does strike me that right now we do have a time where sadly, due to COVID-19, other pressures that are existent in the economy, we do have a lot of people that have lost their jobs and that are unemployed. And it just seems strange that this wouldn't be seen as an opportunity to commit a grander effort towards training and development and workforce development, retraining opportunities, that whole piece around labour force development. So I'm just looking for the rationale on that front.

Hon. Mr. Harrison: — Yes, well I will ask officials maybe to comment on some of the specifics. And that was (IC04) you're asking about? Yes, the labour market programming part of it.

So this is the subvote that we fund a whole number of different envelopes of training for, including SATCC, [Saskatchewan Apprenticeship and Trade Certification Commission] the apprenticeship and training certification commission; our workforce development skills training, essential skills; our provincial training allowance; the ATA, which is the apprenticeship training allowance that goes along with the SATCC; EAPD, employability assistance for persons with disabilities job grant. And this is actually the vote that we will be funding today's announcement out of for the Re-Open Saskatchewan training subsidy in addition. So you know, there are some areas.

There's some really interesting policy work that's gone on in labour market development over the years. And this is, as I talked about a bit earlier with regard to immigration, this has been a really, I think, positive area of federal-provincial co-operation over a two- or three-decade period of time where the national government through . . . And there's been a long history of how the, we call them LMTAs, but they're labour market transfer agreements, how those have developed over the last 20 to 30 years and how provinces have deployed those resources in a cost-shared way with the federal government to deliver training on the ground primarily now through third party training providers.

So there had been, when I first started in this file six, seven years ago now — or at least responsibility for labour market branch — we had four different LMTAs at that point from the federal government. There was the TIOW, which was a targeted initiative for older workers; it was a very small transfer

agreement. We had the LMDAs, which is the labour market development agreement. We had the LMTA, labour market transfer agreement, and the EAPD. My officials are stunned that I remember all of this, I'm sure. The EAPD, the persons with disabilities transfer.

So this has actually caused a degree of administrative challenge in that there were different reporting requirements for all of the LMTAs, some of which actually were very cost prohibitive and definitely administration heavy.

And we've really worked, and I can say we've really taken a lead in Canada. We chaired the actual FPT committee on how we can transform the LMTA process into a more streamlined and administratively rational program. And I would still like to get it down to, you know, two different LMTAs. We're down to three right now and that was through our work. We got a couple collapsed together. I would like to get this down to, you know — even kind of cross my fingers — one LMTA at some point.

But that's kind of the history of how these have been funded. So you end up with a whole bunch of pretty detailed reporting requirements and a lot of them are . . . I mean it's valid, right. I mean the federal government are not giving no-strings-attached money; you guys do whatever you want with it. There are actual outcomes that they're looking for. Provinces are in a better position to deliver outcomes. And you would find a lot of innovative sort of training programs that we have done working with third party providers like Regina Trades and Skills, right.

I mean, what we have found through all of this process is that having the programming set up where every party involved has a stake in a successful outcome is the best way of doing this. And that includes the employer, that includes the trainee, and that includes government. So we've really taken that as a basis in how can we design programs where everybody has a vested interest in successful outcomes. And that's actually part of what we announced today on Re-Open. That was very much informed by the experience that we've had over many, many years in designing workplace training agreements.

So Job Grant is actually a pretty good template as well for having . . . Every group and individual involved has a stake in a successful outcome. With regard to that, you end up being able to actually have better results. You know, you're not just kind of putting people in at the front door and never . . . You don't track outcomes, you don't track results, and ultimately you don't actually improve your labour market because you aren't doing the work at the front end.

So you know, we've really, really worked hard to try and make it such that we are getting outcomes at the other end and getting value for the resources that we put in. So I would be comfortable saying that with the current budget allocation — which has grown tremendously over the last 10 years, I can say; like in the order of 60-plus per cent, has grown as far as the financial allocation — those who are seeking training through our programs, SATCC, whether they are seeking entering into an adult basic program, those folks are going to have that opportunity.

And there are ebbs and flows in the numbers of applications we get in any of those programs, based on primarily economic

considerations in a broader macro way than just kind of, you know, individual reasons. You actually can track these based on broader economic trends. So you know, the resources are sufficient for the volume of those looking to access them. But I am happy to turn over to officials if they wish to add additional detail.

[17:00]

Mr. Repski: — Just a couple of comments on that. You had asked about the size of the budget overall, and being relatively new to the file on here, I've had a chance to go through and identify where some of the shifts happen and where are we going with this.

So over the past few months the important part has been, let's keep as many people working as we can possibly keep working, and that's been obviously a focus. In the next phase, as we're going through the reopening, let's get those folks who have been impacted by COVID to get back to work. And as we move forward, it's going to be how do we support growth? How do we support the Re-Open agenda?

So when we look at how we're doing our work, there's been a couple of changes in here in terms of the overall budget, but we have been looking at where are those dollars best utilized. And so when we look at the increase to the workforce development piece, supporting participants to find eligible work, are they scaled up to do that? That's the type of allocation we're talking about here.

When we look at how have we supported and changed the delivery over the next little while, it may not be reflected in dollars and cents on here but how we do our work. There's been a number of webinars created. It has a different cost structure to it. Looking at our policies around, do we allow a three-month extension, six-month extension, those are things that we can do. They don't have a financial impact on the budget line, but those are the type of things where we're going to be focusing very, very closely with the employers as well as, you know, our employees and our clients to try to find employment.

So just as an overall commentary, we're going to be looking very hard at what that looks like over the next little while to make sure that we do have the right source of labour for the employers going forward. It's not necessarily going to be reflected in the budget element, but in terms of how we're doing our work, it will be very much reflected in that.

Mr. Wotherspoon: — Thanks so much. And what about, like, where is adult basic education? Can you give me, like, sort of an update as to where things are there and, you know, entry into adult basic education? It's always been something that I find just nonsensical to have any sort of gap for those that are ready and interested in entering into adult basic education.

Mr. Repski: — So based on the information, the budget hasn't changed for ABE [adult basic education]. We're still funding, you know, approximately 7,200 seats in traditional; on-reserve, 1,200 seats, unchanged. In terms of the demand side of things, I'd look to Darcy to comment if we have any specific information on that.

Mr. Smycniuk: — Darcy Smycniuk, assistant deputy minister. The adult basic education portfolio demand really has been pretty consistent over the last number of years. That program has a number of elements to it. It is meant to support grade 12 credential completion and the acquisition of essential skills and foundational literacy elements. So we've modernized that program over the last number of years with the introduction of components that include work experience components to it.

We've seen a bit of a shift in a demographic in terms of who's accessing that program. It has historically been fairly dominated by the female demographic, and it's a high Indigenous demographic within the program as well. So a really important program in terms of who we want to have acquire the foundational and essential skills and their grade 12 credential to compete for jobs. The work in ABE, I think, has historically been focused on an academic attainment kind of program.

We are trying to shift that to support labour market opportunities for those that are in the program. The number of learners in the program, I think, has averaged around 7,000 a year. Completion rates historically are around 65 per cent, so they're relatively good in that context. And we are looking to make sure that those folks have opportunities to compete for entry-level jobs and have opportunities to come back into the education program when it suits them, so that they can acquire a further education and compete for better jobs as they can.

Hon. Mr. Harrison: — So yes, I appreciate that, Darcy. So you have, you know, a fairly steady sort of demand around that 7,000 mark, and the number of seats available is nearly 9,000. So there is capacity in the system for ABE to be accessed. And, you know, Darcy touched on it as well. I mean, there's a number of different elements to ABE. I mean, you have the level 1, which is basic literacy and basic skills. The level 3 is the Grade 10, and level 4 ABE, of course, is your grade 12 equivalent. And, you know, our objective is to have folks be able to access these programs, many of whom have very real barriers to entry into the labour market, and be able to do this in such a way that they'll have as best a chance at completing their training program as possible and have that opportunity to have a chance in the labour market.

And you know, again kind of first hand, my experience being up from the Northwest in Meadow Lake, you know, we deliver a lot of ABE programming at North West College, a lot of it. And it is overwhelmingly Indigenous. And that's a good thing, having folks who probably 30, 40 years ago never would have the opportunity to access this programming and enter into the labour market, and having the economic opportunities, and all the opportunities in life that come along with having that economic success.

So, you know, really we've seen it first-hand where people have been able to go through their level 3, 4 progression, have that credential, and be able to get a job at the mill — right? — and have a great career, a great job. You know, that's just kind of one example of it.

But you know, we put a lot of resources and effort into making sure that this programming is accessible to those who have multiple barriers to entry into the labour market because it is ultimately in, you know, their best interests and the best interests of taxpayers and everyone that we have, you know, the best

chance of success for everybody in the province. And that's what ABE is really about.

So we have expanded this program in just huge ways over the last decade. And the number of seats . . . I don't actually have the number in front of me, but it's over 60 per cent that we've grown this program, and that's why.

Mr. Wotherspoon: — I appreciate that. The question still stands around just that we are going through this really, really unprecedented challenge within the economy, and of course that manifests in job loss for so many folks. And of course it also changes how we deliver education for the time being and some of the programming that's important and valued to fill some of those gaps and to train up.

But we're going to be . . . In the coming weeks here we are normalizing some aspects of training and education and those opportunities. Yet we're going to have an economy that isn't yet in the position to provide, you know, all the jobs to the workers that are going to need them. The hope would be, and I think I saw from the budget that there is 16,000 workers that will lose their jobs this year. Of course that number is much higher right now.

But the question is simply, is there an opportunity at this point to go at it in a heavier way as we come through this period with COVID around some of the skill development, labour force development, training, partnerships with employers as well, and really prioritize some of that education and skilling up and even retraining opportunities as we come through this period?

Hon. Mr. Harrison: — Yes. I mean I think the answer to that, you know, we gave in a substantive way today by announcing a new training program for reopening the province, right? Having the chance for employers to access this and potential employees accessing this, along with government providing 100 per cent of the resources for the training programs, primarily targeted at businesses that are reopening, that are needing different skill sets or needing training for skill sets to work in the pandemic environment, that's exactly what we announced today. And we developed that program in very close coordination working with the business community who are, day to day, dealing with these challenges.

And you know, we're getting this feedback in real time, and we'll probably talk about it a bit more in the TED [Trade and Export Development] estimates. But we are getting feedback in real time every day literally hour by hour from the business community through our business response team directly to the MO [minister's office]. And I'm engaged in very frequent regular and structured consultation with our business community as well.

So we're actually being able to hear about these challenges in real time, and that's what the reopen training subsidy was all about and designed in very close coordination and collaboration with those folks, based on what they're needing right now, not based on years of study or months of study, based on what they need tomorrow. And that's why we did it and it's open tomorrow. And we want to turn this around within days, and it's really going to be a . . .

You know, one of the stories that's going to come out of all of the kind of post-mortems that will ultimately be done on policy

response to the COVID pandemic, you know — and I hope there is work that goes into it from even an academic perspective, but I know government will be reviewing for lessons learned — we've really been able to turn around programs in literally hours based on real-time feedback that we're getting, and shifting programs in hours based on that real-time feedback. So you know, we're doing that, I guess is the short answer.

You know, the more traditional training opportunities like ABE, like apprenticeship training, you know, obviously there have been technical challenges given all of the public health requirements that have come in the last three months, but there really have been great efforts made to continue with the training that had already been initiated through alternative mechanisms.

And you know, I might ask actually, Jeff, if you want to talk about maybe from the apprenticeship side some of the changes and what we've done, what you have done through apprenticeship commission, and what we've done also for ABE learning and other parts of it.

Mr. Ritter: — Sure. Thanks very much. Jeff Ritter. I'm the CEO of the Saskatchewan Apprenticeship and Trade Certification Commission.

A couple of thoughts about the evolution of technical training. First of all, within the apprenticeship system, the bulk of the education occurs on the job, right? Apprentices receive 80 to 85 per cent of their education under the guidance of a journeyperson mentor, and they receive about 15 per cent of their training in a technical training environment. Oftentimes that involves some classroom instruction as well as time in the shop working on practical, hands-on, theoretical components.

Our staff has worked with our industry partners. We have trade boards for each of the 47 designated trades in the province, and these are people that actually work on the tools. We've worked with them along with our training providers to get an assessment of, you know, how much of the theoretical component — so that 15 per cent of an apprentice's education which is typically delivered in blocks of training once a year, usually around eight weeks a year — might we be able to shift into an online format.

It varies a little bit from trade to trade, but I think generally what we've found is we might be able to, you know, deliver four of the eight weeks in an online component. So that is a, you know, a very rapid shift. I think our target . . . We refer to it within our balanced scorecard as alternative technical training delivery. We track, you know, the amount of training that we're able to offer that is different than the norm. That target is increasing from 10 per cent previously up to like 90, 95 per cent going forward in COVID.

One other thing, just because you talked about . . . you asked an earlier question around how do we meet the demands of, you know, of people who are looking to gain their upskills. While it is true that to be an apprentice you need to have an employer, one of the things that we're constantly promoting is there is an alternative pathway to certification that does not necessarily involve becoming an apprentice and attending technical training, and we call that the trade qualifier pathway.

So most of the trades within Saskatchewan are what are referred

to as non-compulsory trades. So if you think of the person that fixes your car, that mechanic may or may not be a journey person. They've certainly received training and they certainly have skills. The trade qualifier pathway allows for a skilled tradesperson to have their experience assessed by our staff. And we typically take sort of a time-and-a-half approach so, you know, if a mechanic or a carpenter has been working within that sector for . . . You know, if the apprenticeship is four years, if they've got at least six years of verifiable experience, we can assess that experience and provide them with an opportunity to challenge the certification exam. And if they are successful, they become a journey person just as if they would have gone through a traditional apprenticeship. So you know, we're also very much promoting that pathway to certification during this time as well.

[17:15]

Mr. Wotherspoon: — Thank you. Thank you very much, Jeff, as well, and to your organization for all your work at this time.

And I guess just to back up to the earlier comment, I do appreciate this program and it does fall in line in what I see so far with it, with the pressures that our local business community are facing and employees are facing in adapting to the restrictions in this COVID situation here right now. So it's a program that is, you know, certainly by what it appears to be, one that's going to be important to the community.

I have a few more questions around what that program is, but it doesn't actually replace the need that I would suggest for what I think could have been an intensified period of time, sort of a different look at how we deliver some of those opportunities to retrain and to skill up. And that would have likely required a boost to funds coming out of COVID here. So sort of a training opportunity, because sadly we have far too many people out of work right now and we need to make sure we're working to get the training that they can access and that will serve them well as they pursue new opportunities.

But back to the actual program that was announced, it does touch on some of the advocacy I've had with your office on this front. It's certainly reflective of what we've been hearing from the business community as well. I wouldn't mind just getting a little bit more, I guess, example around what's being envisioned with the RSTS, the Re-Open Saskatchewan training subsidy.

I recognize, and the reason I mention that I see this program as one that's different than sort of the training-up side of the equation for more of the long term, I see this as very important, but it's very much about the short term. Now the short term matters right now for local businesses, and we need to do all we can to make sure that they can weather this period and adapt. That's why a program like this has an important aim to it. So I do support this approach here.

But I'm wondering just a little bit about, you know, what this program, what it will include. I know this is all about safe reopening and adapting practice. Will this include things like . . . Will this support the purchase of personal protective equipment and that sort of preparation in the workplace?

Hon. Mr. Harrison: — Well I mean the program is about training for employees and about businesses reopening in a safe

and successful fashion. But you know, I would disagree though with perhaps the premise of part of the statement leading up to the question. And we will address the specifics of Re-Open and the appropriate official can speak to the details around that.

But what I would say is that we have very diligently as a Government of Saskatchewan worked on expanding the opportunities for training, both in the ABE realm which is now over \$24 million of funding per year — you know, a very large expansion of seats over the last decade — and in the apprenticeship component, which has been really expanded as well.

And I want to thank Jeff for his leadership at SATCC, who's really not just been a leader in the province but been a leader nationally in working on apprenticeship, harmonization, and expanding the number of Red Seals with mobility across the country. One of the real challenges we have had as a country has been around the development of a functioning national labour market. And I think you would find a lot of observers who would say that we really don't have a functioning national labour market, even prior to any of this happening, that we had functioning regional labour markets but not functioning national labour markets.

And there were all kinds of reasons for that. Primarily to do with federal government policy, actually, is the biggest reasons why we didn't. There, you know, obviously are challenges around geography and those sort of elements too, but it was primarily around incentives that were created because of federal program decisions that were different in different parts of the country.

So we really have tried to take a leadership role, and Jeff has taken that, chairing the national body of directors of apprenticeship, in how we can increase the opportunity for those tradespeople to have their skills recognized across the country. And it's really again kind of a story that hasn't been paid a lot of attention to from a media perspective, and I understand why and all of it, but it's been a really important policy development arc that has occurred in that particular area over the last number of years.

So all that to say that we have really made an effort in increasing opportunities for those who wish to access training, whether it be highly skilled training, whether it be adult basic education at the level 1 and 2 states, to access that opportunity with the best possible chance of being successful at the end of it.

So I just really wouldn't agree with the premise that enough isn't being done because we are putting historic, ever larger investment into these areas to make sure that our labour market can support a growing economy. And we know we're going to get back there again. I have huge faith in the people of this province — the job creators, the wealth creators, the entrepreneurs that create these jobs — huge faith that they are going to find a way forward.

And we're already seeing that. I mean, we had the wholesale trade numbers today, which were remarkable. To see a year-over-year growth in wholesale trade in this environment is just a remarkable thing. The only jurisdiction in the country, and I know we're going to be able to talk a bit more about some of those really genuinely encouraging points of light that we're

seeing.

You know, I'm not taking credit for it. It's our job creators. It's our business owners, you know, facilitated working with officials in government and how we can best get through and manage and get into that recovering growth stage, which we're going to do sooner rather than later.

But to the actual point, very specific question you asked on the training subsidy, Re-Open Saskatchewan training subsidy, I'll turn it over to . . . not sure who wishes to speak. Darcy can speak to that.

Mr. Smycniuk: — Thanks again for the question. The Re-Open Saskatchewan training subsidy program is really modelled on the Canada-Saskatchewan Job Grant program. Both are employer-driven training programs. The key distinction is in terms of the new training subsidy program. It's really meant to be a time-limited program to assist employers with the safe reopening of their businesses or to adjust their business models in light of having to work in a social distanced economy.

The Canada-Saskatchewan Job Grant program is one that we've had around for a while. It's really geared to upskill those that are unemployed or underemployed and train them for available jobs. So again the RSTS program, we're looking to ensure that staff are equipped with the skills that they need to remain operational at this time, adjust their practices, and make sure that employers have safe operating environments not only for their staff but for the clients that they're serving as well.

Mr. Wotherspoon: — Thanks for that information. Just getting a sense as well as to who will be eligible and who will access this program. And I know like, for example, like hairstylists, and you know . . . heard from a lot of folks in that whole industry. Many of them have already reopened at this point. You know, they were doing a bit of a hurry-up offence to get themselves ready. There would have been some training that they were incurring, I know, that they were looking for at that point, as well as equipment by way of the personal protective equipment.

Is that the sort of . . . It'll be a broad range of business that'll be eligible, I hope and would expect. But would those that have already reopened and incurred costs and new training, will those kind of costs be eligible even though they might have been incurred a couple weeks ago?

Mr. Smycniuk: — There's no restriction in terms of the sectors that employers are working in. So anybody who was allowed to open during the emergency period or an allowable business through any of the reopen phases, as long as their announced date to be in a reopen phase is pre-July 31st, they'll be able to apply to the program. So it'll be open to all private sector employers in any sector.

Mr. Wotherspoon: — That's retroactive? So the folks that have been operating and that have opened and are adapting?

Mr. Smycniuk: — That's correct.

Mr. Wotherspoon: — And the total fund on this program is \$2 million. Is that correct? And, I guess, what's the cap for an individual business on this front?

Mr. Smycniuk: — Ten thousand per employer.

Mr. Wotherspoon: — Ten thousand per employer?

Mr. Smycniuk: — Right.

Mr. Wotherspoon: — And 2 million is the total fund?

Mr. Smycniuk: — Right.

Mr. Wotherspoon: — Just doing quick math here. Are you concerned with the adequacy of those dollars? What are you expecting by way of the subscription to the program?

Mr. Smycniuk: — You know, when we did some modelling on this we looked at the Canada-Saskatchewan Job Grant program and average expenditures that employers were accessing through that particular program. Given that this is short duration, quick skills training, a minimum of eight hours, maximum of four months, we did some modelling around that. We think the average cost is probably going to be in the neighbourhood of 2,500 or \$3,000 per. So you know, at the \$2 million budget we think there's probably 800 application opportunities, and you know, based on our uptake on the Job Grant program we think we're going to be reasonably accurate with that.

Mr. Wotherspoon: — Is that a hard cap, the 2 million? Once you're there there'll be a cut-off at this point? Or if there's uptake . . .

Hon. Mr. Harrison: — I think it would be fair to say that we will see what the uptake is. I wouldn't say that definitively but I, you know, don't want to say that it isn't either. We're going to see where things go.

I mean, what I can tell you though, Mr. Wotherspoon, the officials have done a really good job and have really done some great work on the modelling end of not just this program but others as well in very short order under intense time constraints. So you know, we're doing what we think is a pretty good representation. But we're open to feedback.

Mr. Wotherspoon: — No, I appreciate that and I think that's the right approach in these times. And honestly, to the civil servants of Saskatchewan — I said this in Finance the other night when I was in estimates late — thank you immensely. The programs that you've organized in a very quick way, and programs that needed to deliver dollars and be operational in a very quick way have been. You know, it's been an outstanding effort through the civil service.

I know that when you're building programs quick, sometimes you might look back, and you know, or there might be concern identified that maybe there's a gap or something here or there. And I appreciate sort of what I hear as some potential willingness to recognize that you've got to maybe continue to build this thing and fine-tune it as you go to make sure that people aren't falling through the cracks. And as well with things like hard caps, if this program, if the uptake is what one would hope it would be and if it's delivering dollars where they're needed and allowing businesses to operate in a safe way, then it would, you know, it would be a shame to have a hard cap that limits further subscription. So I appreciate that conversation. We'll probably

follow up on maybe some of the other . . . like the business program or something into the other estimates. I would assume that . . . [inaudible interjection] . . . Right.

I just wanted to get a bit of a sense around where the efforts are from the ministry at this point and in this fiscal year with respect to, say, the coal sector. I know there's been dollars dedicated to ensure some training and opportunities . . . or to work with communities, I should say, and to work with people who have significant change coming within their lives. So I'm interested to know, on the labour market development and on the training side, what initiatives are in place to work with those in the coal sector?

Hon. Mr. Harrison: — Yes. No, we'll have one of the officials be able to speak to that.

Ms. Ross: — Thank you for the question on the phase-out of traditional coal production. The funding that you might be referencing is coming from Government Relations and they're going to be routing it through, allocating it for economic development projects.

[17:30]

So as that gets under way and those projects start to come to fruition, that's when we would come in from a labour market training, upskilling perspective. So that work is being led by Government Relations.

And then some of the other announcements have really been around federal funding. So they've been allocating dollars to Western Economic Diversification to be supporting the phase-out in the communities that are going to be impacted. So we've been engaged in those conversations with Western Economic Diversification, with some of the local chambers, associations, and we also have a staff presence. We have labour market services offices in Estevan. So you know, we have staff available that have started to work with the businesses and with those workers, but we haven't really started to see the impacts yet.

So we're kind of at the point where, as I say, Government Relations is allocating or making some investments with the municipalities or the communities on economic development and will come in to play a supporting role when there's a need and an opportunity for some training or skills or labour market development-type supports, and then just working with the communities and the federal government on kind of a coordination and just being ready to respond when needed.

Mr. Wotherspoon: — Thanks for all the information and important work that lies ahead in this area. So thanks for the perspective there. I'd be interested in getting an understanding of any initiatives that are, I guess, targeted towards Indigenous people within the province, any new initiatives or any changes that might be undertaken this year that are envisioned by this budget.

Hon. Mr. Harrison: — Yes, it's a good question, and Indigenous involvement in the economy needs to be greater. And you know, part of that is making sure that skills are available or the opportunities for training are available for Indigenous Saskatchewanians. And you know, to that end I would point to

adult basic where, you know, of the 8,900 training seats, over 1,200 are on-reserve, which I think there are a couple of other jurisdictions that now deliver their equivalent of adult basic on-reserve, but we were the first and for a long time the only jurisdiction that did it.

And the member can understand why. I mean there were jurisdictional debates as to whether that is a federal responsibility, which it is, but they weren't doing it. So we really stepped into that space in a large way over the course of the last, you know, 10, 12 years. And because the fact is that it was in the interest of everybody that training was available on-reserve, particularly given the multiple barriers to a lot of those who needed to or wished to have access to that training phase wouldn't have been able to access unless it was delivered on-reserve.

So you know, that would be one of the really, I think, significant policy decisions that was taken, to set aside the jurisdictional discussion, which is legitimate. And I think it's still worth pursuing with the national government that there is an obligation to provide resources in excess of what they do now for skills training. But that being said, we just did it, and I think that there are dividends being paid in that.

You know, as far as Indigenous ownership, I actually think — where I'm getting to with this — Indigenous ownership of elements in the economy is really important. It's not just the employment component, but I actually believe that — having as an example in the forestry sector — Indigenous-owned companies has made a huge difference. And you know, up where I'm from in the Northwest, I think you would find general consensus across the forest fringe in the North, where you have largely Indigenous-owned forestry companies, from companies working in the bush doing the actual, you know, driving the skid steer and all of that, to the actual production at the mill site, to the trucking companies that are taking that product to North Battleford to transload onto the railway. All the way through, having Indigenous companies doing that work has made just a tremendous difference.

When I sit down with First Nations leadership — a lot of whom are, you know, my friends, people I've grown up with in Meadow who now are in positions of leadership at the First Nation level, at the tribal council level — we're talking business. That's what we're talking about. It's not kind of theoretical questions of jurisdiction. It's talking business because people by the hundreds are employed in these sectors by the companies that they own and control. And we need to see more of that.

I really do envision a furtherance of Indigenous ownership in the energy sector, for example, and I think this is something we'll have a chance to talk about in the next set of estimates. I really do want to see Indigenous ownership in the energy sector, in the power production sector. These are areas where it really does make sense. And you know, companies like MLTCII [Meadow Lake Tribal Council Industrial Investments LP], like Kitsaki, in elements of MLTCII, NorSask, and others, and even Mistik Management, have done a remarkable job in managing, developing, and growing the forestry sector, for example.

You know, I really want to see that be expanded into other areas like pipelines, like primary energy production. This is how we're

actually going to make a difference in the long term for Indigenous people in this province by having, you know, genuine economic stakes in success. And, you know, I think we do. We've come a long, long ways from where we were, but there's still more to be done.

Mr. Wotherspoon: — Thanks. Thanks for some of the conversation. I appreciate them. It's just such an important area. I think of like, kind of, your neck of the woods there too. And there's so many great examples. But I think of like Flying Dust. And you know, it's just remarkable as far as what I've been able to witness and see as well, as far as enterprise that's been able to, you know, grow and stand strong and that's been sustainable and see so many community members enter into employment and training and train up there, and some of the value-added agriculture that they've got going on, some of the vegetable growing. And you know, very fine product that you can find on the shelves of grocery stores here in Regina and across Western Canada. And then also on the heavy equipment side of the equation, training up operators, I think, running enterprise on that front as well that does work and contracts throughout the region, is my understanding.

So I guess just with a specific example of like Flying Dust and all that great enterprise and training that's going on, and recognizing that the federal government has responsibility and a role as well to support some of these initiatives, and when I say that, I almost said that the wrong way. What I want to identify is that really what's allowing these opportunities to thrive is the local leadership, Indigenous leadership that's building enterprise, and I think that, as the minister characterized, in sort of in all facets of enterprise — from that very entry-level position through to the business decision-making side, the executive decision-making side of operations, the engineering side of the equation.

But with respect to a place like Flying Dust, what I don't have a strong understanding of is how the province would relate to some of that enterprise. And I'm not sure if you'd have the information available here tonight to talk a bit about what some of the supports that might be in place.

Hon. Mr. Harrison: — Yes, it's an interesting question the member asks. So you know, I've had historically a very close relationship with Flying Dust, having grown up in Meadow Lake. So Chief Norman is a good friend of mine. We went to high school together and played hockey together, and he bailed me out of a lot of situations on the ice rink, I can tell you.

But you know, Flying Dust has done some really good work. I mean, they have a market garden, Riverside Market Garden. They have Flying Dust fuels which they just opened, yes, it would have been about 10 months ago or so now. Brand new fuel station, Petro-Canada-branded fuel station on the First Nation, just kind of right across from the band office and the MLTC [Meadow Lake Tribal Council] office.

You know, we've been working closely with Flying Dust on a particular power project. And you know, not just me but my colleagues from a number of other ministries have been working very closely, and of course Flying Dust being a part of MLTC and the location on which NorSask is located.

You know, a really exciting announcement we did, would have been about a year ago now, I did with federal Minister Carolyn Bennett. The biomass power project that we're doing is really going to be a transformative project, not just for NorSask but for the entire forestry sector in northwest Saskatchewan. Basically what it is is taking waste biomass from the forestry sector and turning that into renewable power generation. So a biomass facility, you know, well over \$70 million capital expenditure, and that construction just started a couple of weeks ago back home.

We wanted to do an official opening but obviously that was a challenge given the public health orders and the pandemic, but construction is underway on that facility right now, which is going to be a real game changer for the forestry sector because what you are doing is monetizing what is now a waste product. So what you're going to be able to do is take the very significant cyclical nature of the forestry sector. You're going to be able to have flattened out that cycle — right? — and have a stable long-term revenue source through that monetized waste product because of the long-term power purchase agreement that we have entered into with MLTCII for the production of that power. So it's a win-win-win all the way around.

It's been a long time in development and I want to really give credit to a lot of the folks who have put huge effort into this project. You know, Al Balisky is the CEO of MLTCII, has really pushed this, but I'll tell you, the tribal council leadership— Chief Ben and Chief Norman from Flying Dust, and Richard Gladue who is a former chief of MLTC and FDFN [Flying Dust First Nation] — I mean there has been a huge amount of effort put into getting this project across the line, working with the national government.

You know, we were pretty early in as far as a commitment on the power purchase, but it was having all of these different parties at the table to make a project that really makes sense go. You know, not so much all the folks in this room . . . I guess some of my staff from my minister's office can tell you that, you know, personally I put a lot of time and effort into working with those stakeholders. They deserve all the credit; I'm not taking credit. But they, you know, did a huge amount of work and we put a lot of time into it. I am pretty proud of the fact that we got it across the line and have this project under construction right now.

Mr. Wotherspoon: — Thanks. Thanks for the information there too. And for sure, like the biomass and how it relates to the forestry sector and potentially to agriculture as well, there is some really great opportunities on this end. And the business expertise and the capacity proven for a long period of time out of MLTC and places like Flying Dust and Chief Norman, Chief Ben, these are strong leadership and strong communities and families that are engaged in this work.

At this point, I know I ran later but I'm glad we have because this is, you know, a very important conversation we've been engaged in. I think we're ready to probably shift into our other estimates here tonight. So I'll probably take a little break but I want to say to your officials — to you, Minister, thanks for being here — but to your officials, thank you very much for your time here tonight. Thank you for what you do through these extraordinary times but through all times for the people of the province and all those that you connect to throughout the province and all the different

organizations that you work with that are doing such important work from immigration through to labour market development.

The Chair: — Minister Harrison.

[17:45]

Hon. Mr. Harrison: — Sure. Yes, thanks, Madam Chair, and thank you to the member for Rosemont for those comments as well. I appreciated the conversation. And really do want to thank Clint and our team at Immigration and Career Training for the work that they have done through a challenging period of time and that they do every day as well. So thank you very much, folks.

Mr. Wotherspoon: — I just had one question for Clint around education capital . . . No.

The Chair: — Okay. Seeing that there are no further questions, we'll adjourn our consideration of the estimates for the Ministry of Immigration and Career Training. We'll take just a 10-minute break for staff to change out and for some cleaning. I just remind folks to please take, if you are leaving, anything that you had at the desk with you. Do not leave anything here. All right? Thank you very much. So we'll take about a 10-minute break for officials to switch out and do some cleaning.

[The committee recessed for a period of time.]

General Revenue Fund Trade and Export Development Vote 90

Subvote (TE01)

The Chair: — Welcome back, committee. We will now begin our consideration of the estimates for the Ministry of Trade and Export Development, vote 90, Trade and Export Development, central management and services, subvote (TE01).

For the new staff members that have come in, to facilitate physical distancing and to minimize surface contact, we would ask all witnesses to please answer any questions at the stand-up mike at the back of the Chamber there. Please state your name for the record before speaking. And as usual, if the minister has to confer with his officials, he may use the back of the vestibule or out in the hallway from the Chamber.

Minister, if you would like to begin by introducing your officials and then make any opening remarks you would like.

Hon. Mr. Harrison: — Sure. Thanks very much, Madam Chair. And again, I'm thanking you as Chair and committee members for accommodating a change in schedule and moving the committee meeting up from what we had originally had in the calendar. So I appreciate that.

Before I begin my remarks I'd like to introduce the officials with me here today. Of course at the table, Kent Campbell, our deputy minister at Trade and Export Development; Jodi Banks — just maybe give a wave to officials — our assistant deputy minister; Kirk Westgard, assistant deputy minister; Cammy Colpitts, assistant deputy minister; and Tyler Lynch, exec director of

communications.

And I am pleased to present the Ministry of Trade and Export Development estimates for budget 2020-21. This budget will help us recover from COVID-19 and rebuild our economy by increasing trade, tracking investment, and improving competitiveness to build a strong economy.

The TED budget is \$27 million, an increase of 6.3 million or 31 per cent over last year. This budget includes an increase of \$4.2 million in new funding to increase international engagement. This includes support for three new international trade and investment offices as well as the government's contract with Harper & Associates. The three new international offices will be located in Japan, India, and Singapore, and we expect to open these offices in early 2021.

Obviously the events of these past few months have created delays in our planning for these offices, but international engagement will be critical to our recovery and future growth, and as such we remain committed to these offices. They will play a significant role in achieving the goals set out in *Saskatchewan's Growth Plan* to increase the value of exports by 50 per cent and grow private capital investment to \$16 billion annually by 2030.

[18:00]

The new funding will allow the province to have an office presence and staff on the ground in key international markets. Officials in these offices will focus on diversifying markets, connecting Saskatchewan businesses with investors and customers, and establishing ongoing relationships. As there is continued uncertainty in international travel, having staff on the ground will be more important than ever in the future.

The TED budget will also include 1.5 million to advance pipeline projects that will increase market access for Saskatchewan's energy products. The pipeline projects assessment committee will administer the funding.

Budget 2020-21 also fulfills the growth plan commitment to create a new Saskatchewan chemical fertilizer incentive of which I gave second reading in this Chamber only hours ago. This program will encourage investment by providing a 15 per cent tax credit for new investment that will grow the sector.

We have also extended the manufacturing and processing, M & P, exporter tax incentive. This program provides tax rebates for companies to hire incremental employees or additional head office employees. The program previously ended on December 31st, 2019 and the extension will run to December 31st, 2022.

In addition to these incentives, budget '20-21 maintains the incentives that have been critical to Saskatchewan's successful approach to economic growth. These include the Saskatchewan value-added agriculture incentive; the Saskatchewan commercial innovation incentive, the patent box program; and the Saskatchewan technology start-up incentive.

In addition to these budget highlights, I want to touch on some of the important work TED has been doing to support people and businesses over the past few months. Back in March, the ministry launched the business response team to help businesses navigate

the challenges created by COVID-19, and I look forward to maybe providing some additional detail on that during the next couple of hours. This included setting up a website, email address, and toll-free number to support businesses and individuals. The BRT [business response team] has been providing support throughout this entire pandemic, providing information on the various programs and guidance throughout the Re-Open Saskatchewan plan. To date the BRT has served over 12,500 clients.

In addition, TED worked with Finance to establish the Saskatchewan small-business emergency payment. This program provides financial support to small and medium-sized businesses that have had to temporarily close or significantly curtail operations as a result of the COVID-19 pandemic. To date this program has provided over \$28.5 million to approximately 6,000 Saskatchewan businesses.

TED officials, along with myself, have been working closely with the business community throughout this pandemic. This includes regular calls and video meetings to hear concerns, provide information, and work together to safely reopen Saskatchewan and recover from this pandemic.

We have also allocated \$1 million in this budget to support the Regina chamber's Together We Stand campaign. This funding has helped the Regina chamber expand their campaign across the province to encourage all Saskatchewan residents to support their local businesses.

In closing, we've seen the resilience of Saskatchewan people and businesses throughout this pandemic. Budget 2020-2021 will help us recover from this together and build a stronger Saskatchewan in the future. We're fortunate to be well positioned to meet the current challenges and recover. Economic indicators such as job numbers, exports and retail sales, wholesale trade are positive signs that show we are in a better position than many other provinces as we move forward with economic recovery.

We've also seen recent positive news with NRGene, an international genomics company headquartered in Israel, opening a Canadian office in Saskatoon. As well recent announcements around helium and lithium are strong signals that despite the current challenges, Saskatchewan has an attractive investment climate and is a great place to do business. We have what the world needs, and the TED budget will help us take that message to the world through this economic recovery period and into the future.

Thank you very much, and I look forward to the discussion that will follow.

The Chair: — Thank you, Minister. I'll open the floor to questions from members. And I recognize Mr. Wotherspoon.

Mr. Wotherspoon: — Sure. Thanks so much. Thanks, Minister. Thanks to all the officials that have joined us here tonight, all those other officials that are involved in this very important work through this important ministry. Trade and export development is critical to this province. It supports businesses across this province and livelihoods and jobs all across this province and builds the kind of future that we all desire. So thank you for your work and certainly at a time where there's many headwinds and

unprecedented challenges that have fallen upon our economy and economies around the world as well.

We've got a pretty wide-ranging set of questions that I wouldn't mind touching on, but different areas I'd like to focus in on. I thought maybe I would just start off entering in more with respect to the COVID situation specifically and look a little bit at that small-business emergency payment program that's been developed and administered by this ministry.

Certainly the premise of this program is important. It's something that we've called for and the local business community has called for. The challenges for businesses as our economy shut down were huge and potentially catastrophic for many. So the challenge of cash flow was very real, very early on as businesses shut down and as commerce shut down and as people stayed home and stayed safe. But it put our local businesses across Saskatchewan in an incredibly challenged situation.

I know we had corresponded with the minister and spoke publicly as well, calling for a program of this nature, of this aim. And certainly the dollars that have been extended in a fast way to businesses have been valued and they're important.

I guess we have identified concerns around gaps within that program and many businesses that have fallen through the cracks and haven't been able to receive support. And so I'm looking for, I guess, some information on that front, and I hope flexibility from the minister to adjust a program that would have been built incredibly quick. And kudos to the civil service of Saskatchewan — this ministry and Finance — to build a program in a quick, nimble way. This is the environment we're operating in and businesses are really in a life-or-death situation. So kudos for doing that.

I understand from Finance a couple of nights ago that of the \$50 million target for this program, \$27 million had been spent at that point. Maybe I would just seek an update or some clarity from the minister if that's where subscription is at at this point.

Hon. Mr. Harrison: — Yes, I can answer just to the specific, then I want to talk a bit about the program. So as of today, it's \$28.5 million has been spent, so obviously more than what had been the case in Finance committee.

But I just want to really thank the team at Trade and Export who have done a remarkable job. And this program is an example of that, and I'll get to that. But look, our team has done just a remarkable job and I've had the great pleasure and honour of working with these folks, you know, now for a long time. I've been very lucky to be minister of elements of this portfolio from 2009, not consecutively, but you know, for much of the last decade. And what a remarkable team.

And I've asked them the impossible during this whole pandemic and this was one example of it where, you know, we had basically worked with the leadership in the business community on identifying the challenge in very short order, analyzing potential solutions in very short order, designing a program that would meet those challenges working with that business community in short order, turning it around as far as an announcement, setting up the process for application, and having dollars out the door in days, literally days, to address the immediate cash flow

challenges that businesses who were, because of a public health order, no longer allowed to operate their business or facing very significant curtailment in business operations yet still had the very real costs around fixed overhead particularly.

And I would correct the member to a degree in what he was calling for, which was basically a rental supplement or a rent relief program — which we announced something about not that long ago as well — but that was too narrow. And we looked and the team looked at that option. And for a lot of businesses, that was an immediate challenge that they were facing around rental payments. But it wasn't the case for all of them. And if we had gone forward with a program like the member had suggested, it would not have been broad enough to accommodate the challenges that were being faced by businesses right then.

So what we decided to do was create a program that was much broader, that would allow for a larger number . . . or an application of resources in a way that would be most advantageous or sufficient for that business. And when we announced the program, it was the most broad based and generous in terms of financial contribution of any in the country when we announced it. And it still is today; it is the most accessible.

And there have only been actually a handful of other provinces that have gone forward with small and medium-sized enterprise support programs. Nova Scotia have a more restrictive program in place. Manitoba announced a program, but it would only be able to be accessed by SMEs [small to medium-sized enterprise] if they did not access any federal programming, which I suspect means that there will be very little application to that Manitoba program. And Alberta just announced a couple of days ago a relaunch grant that was modelled entirely on our small-business support program.

So I'm very proud of this. We put this together in short order. It's by far the most accessible of any small-business support program in the entire country. It continues that to this day. We were the only jurisdiction to have not just one round of support payments but two, when further restrictions were lifted. And I know where the member is going. I know what the member is going to ask with regard to application. And I would just put it to him. I know his position is that any small business that has suffered revenue loss should be able to apply to the program. So I'll save him the time of having to explain that position.

But I would ask him whether . . . We went through all kinds of scenarios and models when we put this program together. I'm wondering if he knows what his program would cost.

Mr. Wotherspoon: — Thanks for the . . . well you kind of got . . . These programs shouldn't be about you, Minister, or me or who advocated first or . . . These are about business that are truly suffering out there and facing uncertainty that is huge, you know, businesses that have been built through hard work and years of investment. And it has to be about them. I've been working with local businesses throughout this, have been constructive in engaging them with your office with the aim of always working to improve programs and make sure supports are there.

I do want to go back to the point of what was suggested as to what we were calling for, and the description by the minister is

entirely inaccurate with respect to simply calling for a rent relief program. In fact we had written the minister, written the Finance minister, held press conferences with local businesses as well as business organizations like the Downtown Business Improvement District and other business improvement district folks who were calling . . . and the call specifically was for a grant, very much of the aim as to what was delivered.

[18:15]

An additional point to that, the reason that a grant was important: because there's various pressures that businesses are facing as the minister identified. One of them that's a real front-and-centre one is certainly the pressures of lease. Having your revenues completely deteriorate in many situations but those fixed costs continue is a real hard reality for many businesses.

So we also did call as an additional piece to that around action around rent relief. But the call for grants was to be broad and to be flexible to respond to the very real cash flow pressures that folks are facing. And we called for other measures as well; I won't get into that.

Just to this program here. So the aim is important. I guess a program though has to flow dollars in a pandemic like this, in an unprecedented situation, in a fast and a fair way. And to just have a criteria built that only allows businesses that were forced to shut down by government but not include others that have had catastrophic impacts to their revenues or to their cash flow, is insensitive to the reality they're facing and not an equitable program and not the kind of support that may be needed to make sure that these businesses can weather this terribly challenging time.

What would be catastrophic to our province moving forward is if many of these local businesses aren't in a situation to reopen doors and to rehire staff and to operate, you know, if in fact they're forced to close for good. And I'm hearing from far too many businesses that that's, well, that's decisions that some have already had to make and, you know, it's the act of consideration for others.

So just back to the criteria on the front. And I understand the criteria was built out of this ministry, and this isn't a criticism of any of the architects of the plan, you know, the civil service that's working to get dollars organized in a quick way and in a way that gets the dollars out the door. But my question, I guess, to the minister — and I've written him; I've shared direct examples; I've connected businesses with him that have been devastated on this front — how would it not be fair to make sure that a business that has pretty much lost all their revenues or lost all their revenues, how is it fair to shut them out from this support at this time just because they weren't forced to shut down?

I'll use an example of one electrical contractor, and I could go on with so many. I think you've received my emails or letters on, you know, for many of these businesses. Many have reached out to your office as well. But an electrical contractor that was working before COVID hit in seniors' living situations. Well of course you're not going to be going in once the shutdown happened, so that business dried up to zero. And the other business line for that particular contractor is working with restaurants, and restaurants were shut down. It wasn't a time that

restaurants were looking to upgrade or improve their electrical systems or to renovate because they were largely, most of them, just looking to make sure they could open their doors and operate again.

So I've been urging eligibility for businesses to expand beyond just those who have been forced to shut down and to include those that have had devastation of their cash flow and their revenues, and I'm looking for the minister . . . I know many folks are really stressed these days as they're making decisions about whether they are going to be able to continue on or not with those businesses that they've been so proud of, as well as the employees that depend on them.

Have you given some reconsideration to looking at a different iteration of this program or a broadened criteria that would include other businesses that can certainly substantiate the devastation that their revenues and cash flow have incurred?

Hon. Mr. Harrison: — Thank you, Madam Chair. So the member sidestepped the question that I had asked him as to whether he had done any analysis as to the cost of the program that he is proposing. So I presume that he hadn't.

I can tell you though, Madam Chair, that our officials, when we were putting together all of the options, have done that analysis. So I can tell him now what his program would cost: \$3.96 billion. So I'm not entirely sure where the opposition would find that near-\$4-billion allocation of funding. But I think, you know, being where we are at in the cycle, you know, a number of months before a campaign, that he should probably let businesses know, if he's promising them an expansion of the program, where he would find that \$3.96 billion, which is not an insubstantial sum. It's slightly less than the Ministry of Health's budget. So I look forward to that response.

What I would say, Madam Chair, is that we have worked really hard with the business community in putting together a program that was responsive, that was flexible. And I can say that's been very well received by the vast majority of businesses who have been able to use it — not as a panacea. And you know, when we launched this program, I was very clear in saying that this is not the answer to all of the problems. The answer to all of the problems does not exist from governments, is not in governments' power to grant.

What we can do though is provide the opportunity for you to get through this as a small and medium-sized enterprise and be in a position, when we're on the back side of the public health pandemic, to recover. And you know, I think that there was a clear understanding on the part of business associations and businesses that that's what the objective of the program was, and also in conjunction with other programs that had been announced by the national government, which is what we were intending ours to work in conjunction with.

So the federal government had . . . I'm not sure if at that point they had announced CEBA [Canada emergency business account] and CEWS [Canada emergency wage subsidy], but both those programs were under discussion at that point if they hadn't been announced, both of which have some policy challenges as well. But as a suite of programming for businesses to access, we felt that there would be an opportunity on the back end of the

pandemic for them to be in a position to be successful.

And I think that, by and large, what I've heard from feedback from businesses, and I . . . Look, I have a great deal of empathy. My mother is a small-business owner — I have a great deal of empathy — who's been severely impacted by this. I have a great deal of empathy for business owners who are dealing with these challenges. But the reality is that a \$4 billion program was not in the cards. That's the reality.

So you know, we've worked with the national government to make the CEBA program as responsive as it can be, and there have been some very real challenges around that, but also the wage supplement program, which I think there's been relatively decent uptake on on the part of businesses. I think probably less than the federal government had estimated that there was going to be, but still, you know, relatively healthy uptake on that program.

But on the CECRA [Canada emergency commercial rent assistance] program, which we said from the very beginning was going to be, you know, very, very problematic from a policy perspective, which is the landlord and commercial eviction protection or the commercial support for small and medium-sized enterprises, so you know, we came forward, again having worked very closely with the business community on the CECRA part of it, a protection against eviction on the part of commercial tenants — and we just announced that last week or the week before; I forget what it exactly was — to try and give some room for commercial tenants to either renegotiate or an incentive.

What this program was lacking policy-wise from the very beginning and what we made very clear to the federal government is that there actually wasn't an incentive that was embedded in the program for commercial landlords to participate. And what we endeavoured to do as a provincial response was create a fill-in-that-gap of an incentive for commercial landlords to participate and offer protection if commercial landlords would not participate to commercial tenants such as they would not be facing eviction. The commercial landlords couldn't evict if they didn't participate.

I think it's actually a really interesting policy response and we had some really good work our folks did on that. I think Alberta just announced today they actually are copying that program entirely that we had announced. I think you're going see other provincial jurisdictions copy it as well because of the fact that it actually really makes sense in working to address the problems in the federal CECRA program.

So you know, as far as kind of again policy rationale around how you have to actually set these things up, it's very easy to put out a press release just saying well, everybody should get it. When you're actually in government and you have to administer these programs and deal with enquiries that are coming, you know, literally minutes after you make the announcements, you actually have to have a well-thought-out program with all of the design work that's done such that there is rationale for decisions that you make.

And the rationale for decisions that you make with regards to small-business support, and this was worked through with the

business community, was that those who were restricted because of public health orders, meaning because of government order, government direction that you were not able to operate, that was a very good policy rationale in which to provide support for businesses who were thus impacted. Like I said, it's very easy to just say, well you know, everybody should, you know, get this. Four billion dollars is the answer to that.

Mr. Wotherspoon: — I'm just disappointed with the minister's tone here tonight. I've been reaching out to that office day after day in good faith and having folks that are desperate for engagement with his office and with the business team on this front. We've been making calls. And in fact I get a kick out of the minister. Like honestly, who wants to watch politicians say who called for what first, during these times? This is not about you, Minister, and your party. This is not about me. But the calls that we made included a moratorium on eviction and foreclosures right in I think the second day into the few days being out of this legislature.

Now I'm not going to criticize you here tonight for being, you know, slow to the game on that front. I'm glad you finally are occupying some of that field, but that was a call that was made directly to you early on, while businesses were hurting.

What I'm also disappointed in is the amount of engagement that we've had, that I've had, with your office with respect to the gaps and those that are falling through the cracks. To have you come here tonight and now all of a sudden be costing out some sort of a program in sort of like a gotcha-sort-of-style politics when people deserve answers throughout this.

I've been working. I've had meeting after meeting with local business, businesses from all across our province and business organizations who have been engaged in these conversations, the chambers of commerce and so many others. If we're actually in this together, which is sort of the slogan that gets printed out by your government, then we should be in this together. And there's no reason that there couldn't have been engagement to talk about some of the challenges that the program was experiencing, as well as if you felt that, hey, well, you know, let's talk through a little bit about what the model actually looks like here. Yes, I know, it's just the same old-school gotcha politics that people are so tired of, to see an economy minister show up at a committee, after they've been sitting with desperation pleading and asking for information, being shut out on that front, and then to see that sort of situation.

And I guess what I would ask, you know . . . and not that I'm really interested typically in your political tool to sort of try to attack, you know, the opposition or something here. But I would ask, you've said that you've had your, I think, your civil service doing a modelling on this front. I'm very interested in that modelling because this is very important to Saskatchewan people.

I'm also very interested in how you interpreted the call from the opposition as to, you know, being more inclusive on this front. I want to know where you drew the line as to what categorized devastation in revenues. What percentage was that? Or did you just include every bit of revenue that businesses have lost through this period of time? So you've entered in and referenced modelling that's been done by the public officials that are here

tonight or their teams, paid for with public dollars. It should aid the public conversation. I'm interested in seeing that information here tonight as well.

So I guess I would ask the minister, when we're calling for a more inclusive program and we've called for that to be extended to other businesses that have had their revenues devastated, what threshold? Did you place a percentage on that threshold as far as the level of devastation? How did you model this exactly?

Hon. Mr. Harrison: — That same question could be put back to the member. But what I would say in response to the member's earlier comments, I am disappointed in that our office has worked, you know, closely with businesses. We've responded to his inquiries, and to suggest anything otherwise is pretty disingenuous, and it's very disappointing to me.

I can tell you, Madam Chair, it's very disappointing, not so much for me — I don't particularly care what the member thinks of me — but for the officials who have done such great work, who have been working literally night and day, weekends and evenings to respond to inquiries and be responsive to our business community who are hurting and who are going to be the ones who pull this province through and get us onto the other side and growing and thriving once again, which will happen. I'm disappointed in his tone with regard to that. And like I said, I don't care about me. I'm happy to engage with him, but I'm disappointed at the light that he would seek to put our officials into, who have really gone above and beyond.

And I'll give the example of our business response team for example. Literally over the weekend we had turned our economic development branch of Trade and Export into a response centre for businesses and had all of our various, you know, officials from very senior to newer to the public service, trained and prepared to respond to inquiries from business owners, literally over the weekend. And it was a mammoth undertaking on the part of Ec Dev branch for that to happen, and who have now been every single day working and responding to every potential question or inquiry, and not just responding to but having the mandate to work with, whether it's a provincial program or a federal program, work with these businesses in a concierge sort of service. That was the direction I gave; I want this to be a concierge service for businesses who approach us, that we don't just say, call whoever, that we actually do it and we pursue and find solutions to what those challenges are.

And our officials have gone above and beyond in working with businesses in doing that, in addition to administering not just the small business support program but also doing a whole host of other issues. So you know, I have the list. I get it every morning — the number of emails, number of calls, the average wait time before businesses making those calls get a response — and the amount of work done has been just remarkable.

And to have aspersions cast on that work is really, you know, I'm disappointed for them, and I'm disappointed in the member for doing that. All of these folks are doing the absolute best that they can under the most challenging of circumstances.

And you know, thus far we have, I think I indicated earlier, you know, moved over \$28 million for the small business program, but I think even in a more valuable context, have really worked

with businesses to find solutions, whether it's a dollar-and-cents solution. or whether it's here's how we can manage through an application process for the CEBA program, or here's how we can manage through the process for the CEWS program — all of those things. And you know, working daily with not just individual businesses but with the business leadership, with the business associations in making that all work.

So you know, I'm hoping that we can change the tone. We had a really great discussion at ICT, and I think that, you know, the tone has not been particularly conducive. We all want to do what all we can to support our small businesses, our medium-sized enterprises who really are the backbone of this economy, who employ hundreds of thousands of Saskatchewanians who we want to see back at work, many of whom are.

And I look forward to talking about that, the fact that we've actually had fewer members of our workforce than any other jurisdiction in Canada who have been detrimentally impacted. And that's not to say that there hasn't been huge impacts, unprecedented impacts, because there have. But in a comparative context, we have done better than any other jurisdiction economically, and it's in large measure because, first and foremost, credit goes to our business owners, but also the policy choices that have been made have been very, very important in that. And I look forward to talking about that later.

Mr. Wotherspoon: — So I mean, I didn't try to enter into your stuff on the front end, and I wanted . . . We owe it to Saskatchewan people to focus on this conversation into making sure we improve programs where possible and all the other aspects of trade and export, not go on with, you know, nonsense. But what I heard from the minister just now, to try to suggest somehow that myself as the critic is offering a criticism of that dedicated and incredible team of civil servants that work for the people of this province is just utter nonsense.

Sir, my criticism is directly at yourself. No one else. And it was your tone entering in here tonight and the number of direct reach-outs that I've had to use, sir, by letter with folks whose lives and livelihoods are uncertain right now, and for you to arrive into the legislature at a time where we had to, you know, drag you guys back here to get you here, for you to then play gotcha politics with, we've costed your program with the use of the civil service? Like give me a break, sir.

I would have convened meetings and sat down and taken phone calls and talked through any of these items with you, as I was appealing to throughout this time. Those are your choices. What I know of your team is damn rights, they're one exceptional team of civil servants. And you bet they've been working hard.

Now I did have a question for you that you never answered on this front, and I'm interested now. When you're talking about the program here, the criticism we had is that it was too exclusive. Of course it can't include every last business that was impacted with some sort of revenue loss. It has to be devastation of some sort, and certainly that would need a definition by building a model as to what that represents.

So I'm wondering, Minister, what model you're representing when you're trying to attribute a number to a plan, what level of devastation to one's revenues would make them eligible for the

program that you've costed at \$4 billion?

Hon. Mr. Harrison: — Well I think what was suggested, and I appreciate the question, was from their perspective. I think what he suggested was that those who have suffered loss in revenue would be . . .

Mr. Wotherspoon: — Devastation.

Hon. Mr. Harrison: — Okay, he just said devastation. I put it to you, what is that? What's that number?

Mr. Wotherspoon: — So this is why we should have had . . . We were all calling for meetings all through this. Let's have these conversations. The fact that you couldn't find it in you to engage in these conversations with businesses or with me or anyone else — forget me. Well these are businesses that have been reaching out to have this conversation . . .

Hon. Mr. Harrison: — Who we engage with every single day by the hundreds.

Mr. Wotherspoon: — Well, Minister, I haven't chatted with a single business that's chatted with you as minister.

The Chair: — Gentlemen, if we could return back to the estimates. If there are questions beyond this that are within the estimates that are here, I think that would be much more valuable than spending our time attacking each other.

A Member: — Agreed.

The Chair: — Okay. So let's move on to our estimates. Thank you.

Mr. Wotherspoon: — So in that spirit, and I fully agree . . . So I am interested in the program. Certainly in my advocacy it was never intended that any business that had incurred loss should have that backstopped and kept whole, or have the program eligible. I always characterized it as businesses that have had their revenues devastated.

We could have a reasonable conversation about what that percentage is. I'm not entirely sure; I think that you have a team that has expertise here tonight and it would be good to maybe model some of this out. But if you were looking at businesses who had lost 70 per cent or 75 per cent, I'm not sure what the number appropriately is, what you would characterize as devastating revenue losses. I'd be interested in what a program like that would cost. It certainly wouldn't be 4 billion, Minister.

And you know, what you did at the front end of the meeting wasn't called for. So I guess what I am interested in: do we have the ability to engage tonight and do you have openness to looking at broadening the eligibility for this program, and looking at different thresholds for other businesses that have incurred as, what I'll call, devastated revenues or devastated cash flows, and building a threshold that would allow them to be eligible too?

Hon. Mr. Harrison: — So I'm not really sure where to start with that, given the suggestion from the Chair that you refrain from that sort of partisan comments.

That being said, what I can tell you is that there was a great deal of work in consultation with businesses that went into the design of the program. I can tell you that this is the — by far and unquestionably, not debatable — the most generous small-business support program in the entire country. It's not a question of debate. It is.

So I accept, if there are, you know, criticisms from that member. That's what they do. I mean, you're the official opposition. That's fine. But I will posit and defend the design of the program because it's unquestionably the most generous and open and broad-based, small and medium-sized enterprise support program in the entire country. That's the facts.

So you know, we've worked with individual businesses and I would really take issue with his comment as well about somehow our office and me have not been engaging. I can tell you, Madam Chair, this has been the most challenging three months of my life in a professional context. You know, we have worked very, very, very hard. And look, I'm not asking for any particular kudos for that or anything. I mean, I think there's an expectation that you're a minister of the Crown in a crisis, you're going to be working 18 hours a day and not have days off. That's how it works and that is what we've been doing. So I would take some issue with the assertion that we haven't been engaging with businesses because it's just not true. So I would put that out there.

You know, the program, I think we've gone through the details, the design, the background, the capacity, the amounts. All of those things I think we've canvassed so, you know, I think we've got our positions on the record. So I'd invite the member to . . . you know, I'm happy to continue engaging, I guess, if he wants to keep asking, but I think that there's a whole ton of other areas where we could have a good exchange and discussion.

Mr. Wotherspoon: — No, I appreciate that there's a lot of ground that I do want to cover as well. I just would press back to just an urging anyways, and I would, I guess, leave it with the minister.

Certainly, of course, there was a misunderstanding, I'm sure, for the minister as to what I was calling for. I wasn't calling for any business that incurred a loss to be eligible. Of course not. It's not realistic. It would produce probably a number like \$4 billion, as the minister brought us here tonight. But I would urge to cut away from the debate that we've had here tonight and would urge your attention to looking at a model that would support other businesses that have had their revenues devastated. And I'm not sure if that's 70 per cent or 80 per cent devastation in their revenues but I know you've got the most able of officials, if offered the mandate, to look at some of those other scenarios.

[18:45]

And it really is a hard reality. And I know every one of us as MLAs would have local businesses who are hurting in a big way right now and this program, as it stands and as I entered in, is an important program with an important aim. But I think there's a real opportunity and I think an impetus to make sure that when you're deploying dollars in a fast way — that's the desire — but to also make sure that you look for ways to improve and make sure that there's a level of fairness there.

I gave the example of one electrical company that, of course, lost all of their revenues for a period of time. There's many other examples as well but I won't belabour the point. And I will once again say thank you to the officials who are working in this area. I know that they're stressed and responding to these extraordinary times with extraordinary efforts, without question.

I guess I'd like to get a better understanding of the rent assistance program that's cost shared, you know, federally and provincially. And I think this one the intake is managed, I believe, federally but there's a dollar that's contributed provincially. The minister can, you know, sort of clarify that with me. I think the amount of dollars that were allocated provincially are \$13 million.

I'm interested in what subscription is to that program so far. I suspect it's maybe not, you know, that much right now because the entrants could only get into the program in the last couple weeks here now. And I have heard a lot of concern as well on that program itself with just, you know, how it needs to be initiated, you know, by the landlord, and you need sort of them to take that action as well. And I would urge the minister to make sure he's using his voice with the federal government as well on this matter, because it seems that if a tenant can't have their landlord enter into that program then they're sort of shut out from this benefit.

And I think there's a real place for our province, for the Premier, for this minister to use his voice federally as well around how can those dollars, you know, be more directly flowed to tenants who require these dollars if you have these situations where landlords aren't entering in.

Hon. Mr. Harrison: — Yes, I appreciate the question. And we had the chance to talk a little bit about the CECRA program and our commercial eviction prohibition based on non-participation of landlords in the CECRA program, which is the Canada emergency commercial rent assistance program for those following along at home, the acronym being CECRA.

So maybe just kind of by way of a bit of background, you know, I have been clear and the Minister of Finance has been very clear directly with Minister Morneau from the point of a program launch that . . . And I think I would posit even that other jurisdictions have been clear as well with the national government that this program was really flawed from inception through implementation and to the point where we are right now, which has seen very few applications nationally. I think there's been under 10,000 as of last count, and we're dependent on the federal government for information. I think there's been under 200 at least in Saskatchewan, meaning that the program hasn't worked as designed. So we've been very clear.

Minister Harpauer has the lead on this program, so I can speak to kind of the rent eviction component but I don't want to speak for her. I think you probably had the conversation with her in Finance estimates about that.

You know, the cost-share is 75/25 with the national government and the provinces and territories. And there were, you know, some jurisdictions that were highly unhappy when the federal government announced it, having done no consultation with PTs [provincial-territorial] and then committing them to, you know, not insignificant potential expenditures under that program. So

you know, not a surprise it hasn't been successful.

And what we had done was, you know, made the case obviously from an advocacy point of view with the Government of Canada that they needed to change the program. In fact what we, you know, suggested is if the policy objective of CECRA was to actually get money into the hands of commercial tenants for the purpose of them being able to continue as commercial tenants, the way to do it was direct cash flow through a program like our small-business program. That was the way that you could actually deliver this program in short order, have those dollars into the hands of commercial lessees such that they were going to be in a position to then manage the overhead cost, particularly the rental cost.

That was the way to do it. That actually would have been the right policy response from Ottawa. They, you know, determined upon a different . . . and have been impervious to representations, I would say, from not just our government but other provincial governments, territorial governments, and a lot of leaders in the business community as well who have all made the very same point that I've just made here and I'm sure Minister Harpauer made the other night.

So that being the case where they have shown a complete unwillingness to change the program, we looked at ways that we could incentivize . . . which the program was lacking a rationale for commercial landlords to become a part. And the way that we felt that would be appropriate was to then say, okay, you know, if you're a commercial landlord and you wish to distrain on a tenant, meaning evict them based on non-payment of rent or at least cost, then you could only do that if you were a party to and participating in the CECRA program, which would have by implication then, given significant rent relief in the tune of 75 per cent to that commercial lessee.

So I actually think it's a really innovative way of either protecting the commercial lessee from eviction or making it such that it's in the interests of the commercial landlord to enter into the program, thereby basically achieving the same policy objective of keeping the commercial lessee in that property.

So you know, it remains to be seen yet as far as the uptake because we aren't getting data in real time from the federal government on uptake from commercial landlords in that regard. I'm hopeful though that at minimum it will give lessees the opportunity to either renegotiate if that's what a part of the problem is, or at least to provide them with eviction protection over the course of the next period of time.

And you know, we think that this is the right approach to take. We want to keep businesses in the properties that they're in. And there are obviously competing interests at play in this, but there is also a federal program that would provide commercial landlords with a very large proportion of what they would have otherwise got from an all-things-being-equal situation and their tenants paying their full rent.

So we think it's a good balance, understanding that there are competing interests but having as a policy objective, an overriding policy objective, the maintenance of businesses in their current places of business.

Mr. Wotherspoon: — Yes, it's still that area that really does require that focus, the whole area of the lease. It sounds like we share both positions as well as the advocacy that we've presented federally as well, as far as sort of the fastest and likely the fairest way to get those dollars to the tenants or the lessees as well. And so I would urge the minister to remain, I guess, vigilant and active on this file, using his voice as I understand that he has with the federal government on this front, and continuing to look to see how we can protect those that are in a really difficult rent situation.

I should say, as well, that there's a lot of really great situations across the business, where tenants and landlords have found agreement, and you know, I think there's a recognition in those fronts that folks are in it together and that they want to, you know, come through this real challenge time, time where businesses may be shut down. And they likely have a longer view — I'm thinking of the landlord perspective right now — that there's value in making sure there's someone there to open the doors because, you know, it could be a challenge on that front for many businesses.

I appreciate the comments around the action around eviction and how that program's organized. We had called for actions, not the specific actions, but for action around evictions on this front. And that's within the powers of the provincial government. Also within the powers of the provincial government are the ability to legislate deferrals, for example, around contracts and small business loans for things like equipment, possibly or other aspects.

We've made that call for that to be something to be considered on this front. Has the minister been able to consider what that looks like and whether that's a tool? Again deferrals are only deferrals, so it all comes due at some point. And I hear from a lot of businesses saying, you know, don't hand me too many more deferrals, because you need to be in a position to pay that back.

But it might be one of those other tools that could be added to the tool kit to see folks through this period that's really trying right now. And obviously we all have hopes for an economy that's firing on . . . you know, closer to full capacity as we move forward. Is that something the minister's considered at this point?

Hon. Mr. Harrison: — I mean, there clearly were a number of initiatives announced with regard to the deferrals, which I think have been well received. I do take the member's point around the challenges of, you know, cash flow. Those are very real challenges that a lot of businesses are facing. And I'll get back to that.

What I do want to say though is I agree with him on his comments around the relationships between landlords and tenants. I think by and large, you know, what I've heard anecdotally . . . I don't know if there's any data on it. But by and large there has been a lot of co-operation and mutual agreements that have been entered into between commercial landlords, commercial lessees, commercial tenants, with regard to how and whether, and you know, the quantum of rent that would be applicable.

Because I think, you know, commercial landlords understand that their long-term interest is served by having a successful lessee in that space over the long term, and that despite the

short-term challenge that exists, that in the longer term the interests of both parties is served by coming to a mutual agreement. So I think by and large that is happening around the province, and most landlords have been, you know, very understanding, understanding they're running a business as well that is facing challenges, not just, you know, their lessee. So I would agree with and echo that point.

You know, as far as the loan program that has been put forward by the national government, the CEBA program, which provides, you know, a \$40,000 loan I believe is the parameter — around a \$40,000 loan — of which \$10,000 is a forgivable component. You know, there have been some administrative challenges in that. And I'm the last person you're going to find defending the national government, and I think the member well knows that on most things. But there have been some real challenges on that, and business advocacy groups have, really I think in a constructive way, tried to work with the federal government, as have we, in how this program could be made to work in a more administratively accessible fashion. You know, I think the federal government is considering, or maybe even has announced some changes that they have made to the program.

The reality is though that it's taken too long to have these CEBA dollars flowed. So, I mean, there are still businesses that are facing very real cash flow issues. But the program will deploy resources hopefully in the very near future, and at that point you are going to have the ability to borrow, you know, at cost — I think it's an interest-free loan — up to \$40,000, of which a quarter of that is a forgivable component.

[19:00]

So you know, what the federal government had intended when they rolled the program out was that was going to be the mechanism through which they could flow short-term resources to companies and businesses facing overhead pressures, and again, why we've helpfully offered suggestions to them as far as program design and administration to be able to turn dollars around in very short periods of time.

I think we've really showed the way of doing a lot of that here. You know, our programs have been copied across the country, and it's because we've been able to design these things in a way such that we can have administrative certainty but also administrative efficiency from both the back end of government but also the front end with very simple, straightforward processes for making application. And this is an example of that not being the case. So you know, I guess I would offer those comments on CEBA.

Mr. Wotherspoon: — Thanks for that. I've advocated directly with Finance Minister Morneau on those fronts with respect to CEBA as well. It's, you know, a program that's the right fit for some businesses but for those that it is, a few have certainly expressed challenges in being able to access those dollars.

My question though specifically was around . . . You're utilizing your powers around eviction, which we've called for, and I think that's a good thing. You could also utilize provincial powers around ensuring flexibility or relief for those in contracts. And those might be, for example, a contract with, you know, equipment in a store or equipment for a mechanical company or

potentially vehicles, and to ensure some relief around flexibility with some deferrals.

And again, you know, we started on the grant end of the program at first with our discussion here tonight. Businesses really do need that support around the relief because many are saying, we don't want to be adding more to our bills down the road. But it would be one of those other tools to the tool kit, and many businesses are saying that it would be something that they would value and appreciate.

So I'm just wondering if you've looked at all, or if you're open to looking at utilizing your powers around offering some flexibility for businesses in the contracts that they face.

Hon. Mr. Harrison: — Well it's kind of a broad-ranging and a bit complicated of a question. I guess what I . . . Just trying to clarify, not for any other reason. So you know, contracts that they would have with other parties, like with other businesses regarding . . .

Mr. Wotherspoon: — So a lot of small businesses might have, you know, so the lease is one of the contracts they'd have. And you're acting using your powers there. One of the other, you know . . . Lots would have contracts, potentially for equipment or for vehicles, which aren't insignificant when the revenues dry up.

And I know businesses certainly wouldn't be exercising things like a limited deferral for without knowing that they can, you know, unless they had to. Because people aren't looking to pay for bills. But there has been a call from the small-business community to provide some flexibility and allow for a limited deferral in contracts. And it's my understanding that the province does in fact regulate this space.

Hon. Mr. Harrison: — Yes, okay. Well I have a bit clearer idea. There would be some question as to the individual thing you were looking to regulate. So I get where you're going with it and, you know, I would say that we've been open to looking at suggestions from businesses.

I would offer, just from an observational point of view that, you know, there are elements where you really don't want to get into the business of robbing Peter to pay Paul. And you really do have to be very cognizant of the fact that there are competing interests that you're seeking to find an appropriate balance to. And when you intervene in a space, like we did on the commercial renovation, what you're trying to do is find, even in that case, a balance where there is an overriding policy objective that has a broader implication than just, you know, dealing with somebody who is having a challenge making a car payment or something, right?

But that being said, you know, I would also offer . . . I think that there has been a great degree of flexibility that a lot of companies have offered, whether in terms of their contracts with individuals or their contracts with companies. You know, mortgage payments for example, most banks have come forward with programs where there are mortgage deferrals. You know, car companies have come forward with programs where, you know, either through different mechanisms there can be either deferred payments or differently structured sort of arrangements for those

payments to be made ultimately that are mutually acceptable to both parties.

You know, I would say that I wouldn't preclude or rule any of those kind of suggestions out. If there are those that make sense, that's why we stepped into the place on the commercial eviction moratorium that we did. Because that made a lot of sense, and there was an ability to find, I think, an appropriate balance between landlords and tenants that ultimately will pay dividends for both parties. So I guess that would be the short answer.

Mr. Wotherspoon: — Appreciate the open mind on this front. This is an evolving situation. Everyone's hopeful that reopening is going to proceed in a good way and commerce can flow and people can stay safe. But we don't know exactly what people are going to be facing in the weeks and months to come, and so it's important to be assessing all the tools that could be deployed.

Maybe moving along a little bit, obviously this is an incredibly challenging economic situation for the province. We're coming off a tough year last year. I think Stats Canada showed that real GDP [gross domestic product] contracted by 0.8 per cent, which is significant. And now we have the situation with COVID that folks are facing, as well as certainly beat-up energy markets, as well oil prices that are a challenge.

So the challenges Saskatchewan faces aren't insignificant. And I'm just wondering if the minister is able to give a bit of a scan of Saskatchewan, based on the information he receives and the stakeholders he works with, to provide a bit of a perspective on, you know, maybe some of the biggest, maybe the top five sort of economic projects that we can look to in the province in the year ahead. And I exclude at this point in that consideration sort of the government spend or the Crown spend, which is very important to aid recovery. But more if you can point to some of the private sector initiatives that people can look to in the year ahead.

Hon. Mr. Harrison: — Yes, I mean obviously kind of in terms of individual companies and investment decisions, we're not going to be able to get into that for obvious reasons.

I can say though, that I'm very optimistic about decisions that are going to be made, you know, some of which are obviously perhaps delayed a bit, owing to the current global situation that we find ourselves in.

But the reality, I would say, as far the makeup and nature of Saskatchewan's economy, we are highly dependent on the ability to export our products to market. You know, nearly 70 per cent of everything that we produce is exported. The trading relationships that we have around the world are of absolutely vital importance.

And you know, I would say that the concern I had had at the very beginning of this was — the biggest concern I had, aside from the obviously public health element to it, as far the biggest economic concern I had — was around the stability of the international trading system and the global financial markets that enabled that global trade to occur day to day. Because there were signs early on that there were signs of seizing up of the global financial markets. And it was almost like 2008, added on to the financial crisis, added on to a public health emergency, added on to a kind of Main Street economics emergency.

There was a remarkable amount of liquidity that was pumped into the system on the part of central banks around the world, around that mid-March period. It was like all of the liquidity that was pumped into the system in 2008, 2009, like over that whole entire period of financial meltdown, in a week. It was a remarkable response, a coordinated response across the global financial sector, and that allowed for there to be a continuance of international trade.

There still have been disruptions in different areas, some of which have been not necessarily the results of, you know, economically driven factors, some of which have been geopolitical, and some of which have been, you know . . . there have been some other public health elements to why that has curtailed. But there has been a significantly lesser impact to global supply chains than there was a great fear there was going to be right at the start of this.

So I say all that to set kind of the table with Saskatchewan being as trade-dependent as we are, to say that we had and I had very, very real concerns about the ability of the province economically to manage through even a short period of global trade disruption.

The reality is that didn't actually happen, which is an extraordinarily good thing. And what we actually saw, almost remarkably, and I can tell you, living this day to day and our officials as well living this every day, to see an actual increase in Saskatchewan exports through Q1 [first quarter], meaning March and April, so actually a month and a half of the pandemic period, to see an actual increase in Saskatchewan exports over that period was pretty remarkable. And you know, by far the largest . . . Most provinces did see significant declines in their export numbers. They're comparatively less dependent on global exports for their overall GDP than we are. So I mean, we were very, very fortunate in that regard to see the growth in exports over that period of time.

So that was, I think, and is going to continue to be the fuel for how the recovery period and the growth period after that plays itself out. It's also why we continue to be very, very committed to our international engagement strategy and why we have put, you know, significantly more resources in this budget year, even over last, into our international engagement efforts.

So the three offices that we announced earlier in the year, I can actually say where . . . I'm not sure if we've publicly announced yet where the locations are, but I can do that. They're going to be in Tokyo in Japan, and we're going to be locating with the embassy in that location. In the High Commission in New Delhi, and there had been some discussion about where in India would be the most advantageous place. New Delhi is the right location for that office to be located. So we will be co-located with the High Commission in New Delhi in India. And in Singapore we will be locating with the embassy in Singapore as well. And there are a variety of reasons. You can ask officials if the member's interested why those were felt to be the most appropriate places, both kind of actual physical location on the ground but also the location in country. It makes the most sense.

But that's why we are continuing to be very committed to that engagement internationally, because the way we are going to get through this is through growing our international markets and diversifying our international markets, which has been brought

home to us in such a clear way, given the trade disruptions we've had with China over the course of the last year.

[19:15]

So you know, that's going to be a focus of what we're doing in the upcoming year. We already are in, you know, I wouldn't say advanced planning necessarily, but we're in very real planning stages for international engagement at the ministerial level, the Premier level, as soon as we are possibly able to re-engage internationally, given travel restrictions and the like, because of the fact it actually makes a difference. And you know, having that long-term presence on the ground, building those relationships is of vital importance. And it's going to be even more important now than it was before when we are seeking to grow and diversify our exports, especially given the challenge we've had with China.

Good news out of India, I can say. We saw a decision from the government to change their tariff rate on the importation of peas into that market. And I would say, you know, that was very much something that affects almost exclusively Saskatchewan. And we advocated at the highest level in the Indian government for that change to be made directly with the Indian ministers responsible. Had some very good discussions, very straightforward discussions, and discussions that the government of Canada couldn't have had because of the history, which I won't get into all of. I think, you know, folks who are probably watching this are aware of the Trudeau government's engagement with India and how that hasn't necessarily been in the interests of a lot of jurisdictions in Canada.

So we advocated very directly with the most senior people in the government of India, making the case essentially for why a change would be beneficial for them but also how this would impact largely, you know, Saskatchewan as a jurisdiction. And you know, that went a long ways. And we've continued with that dialogue since and, you know, obviously former Prime Minister Harper was front and centre in making all of that happen. So that's a pretty significant point of light. We've seen, you know, very real increases in our trade with India this year. That's going to actually have an impact, that tariff change that was made last week. But we've seen a significant increase in our trade with India this year to the tune of hundreds of millions of dollars.

Mr. Wotherspoon: — Thanks for the update. And of course the minister knows there's no debate with this member as to the value of growing those export markets. I think last year we sat in here — hockey playoffs were still on at that point — but we were in here and we were talking about just this really challenged trading situation where you have long-standing allies at the time that included the United States with some barriers that were very important to Saskatchewan. Thankfully that's been resolved.

We also talked about India and chickpeas and the barriers and the fumigation charges or the requirements that were being placed there that were a direct hit. And then of course, China, you know, hasn't been resolved, but obviously has a real direct impact on the province. So very good to see. I heard the news on the chickpeas. That's really good for Saskatchewan obviously.

As far as quantifying, because it is a big deal and, I think, maybe last year when I brought it to the floor I probably brought a bit of

a value around what this impact was for Saskatchewan. I don't have those numbers handy right now. But what does this mean for Saskatchewan producers and for our exports right now in resolving the matter with chickpeas with India?

Hon. Mr. Harrison: — Yes, it's a good question and I don't have a number in front of me either. You know, I think to a degree it will depend on the ability of our exporters to move products which I think we're in a good spot on that, you know. But I would just say, it's a very positive thing. It's going to result in a significant new market for . . . an old market that's new again for our exporters with regard to that particular product.

But I think that there has been some really good progress made in that Indian market though. And you know, without getting into very highly specific details, I think there's some very good news to come as well — more there. So that's been a focus of our international engagement in India. We were in Japan and Korea last year as well, and that was primarily a part of a development mission. And that was with the national government for canola was kind of how it was set up but it was, you know, not just for canola.

And we think that there are really genuine opportunities in some other markets. I really am bullish on Vietnam. I'm bullish on Bangladesh. The fact that we sell very little canola into Vietnam for example. You know, why is that? The answer is basically we really haven't tried. And the reason we haven't really tried is because we really haven't had to because the vast majority of the product was going into the Chinese market. So the need to diversify and build that new market, build those new relationships, all the things that go along with it, really hadn't been a priority.

But you know, why are we not putting more canola oil into Vietnam or into Bangladesh or into Indonesia where the primary cooking oil is still soy? It's probably the most — or palm if you're in Indonesia — I mean, the superior product is canola oil. But you know, the reason why people are not using it is because there really hasn't been a huge push to develop that as an alternative product. So you know, I think that we have really genuine opportunities to do that market development work.

And it's actually where government can make a difference because you are dealing with, in some cases on the part of buyers in those countries, SOEs, state-owned enterprises, who are the buyers, meaning that political engagement is important, showing that for our exporters, our companies that the government is standing with them, is working with them, is standing behind them to build that relationship in that market. And it's important in a cultural context, business-culture context in a lot of Asian markets. But it's important from a political engagement perspective as well. So that's going to continue to be a priority for us also.

Mr. Wotherspoon: — I appreciate — it's like you're reading my sheet or something here — I appreciate the attention on those markets.

One of my questions that I was coming to you with, I'll still ask the question because it wasn't fully answered. You know, the trade offices are established in very important markets for Saskatchewan, but Bangladesh, Vietnam, Indonesia are three

prime places that present a lot of opportunity for us to grow our exports, as well as actually the United Kingdom and Europe right now as well, before they're separated but now in this current situation as well. A different type of trade, but some exceptional opportunities there as well.

So my question would be, we're allocating resources into important markets and focused with the trade offices in three places. What does the program look like for this year ahead in building out that engagement that we need with Vietnam, Indonesia, Bangladesh, as well as the United Kingdom and Europe which present some really unique and different opportunities for different sectors of our economy at this time?

Hon. Mr. Harrison: — No, it's a good question and an insightful observation as well. So we, you know, have not made formal decisions, but I think that it's been pretty clear that we would and are considering expanding the office program beyond the three jurisdictions that we've already announced.

Obviously, a lot of that has been pushed back because of the global pandemic. So we are looking at now Q1 for having the already announced offices in a position to open and be staffed and go operational.

We will be looking at those kind of options for a potentially expanded presence into other international markets. You know, I would say that I wholeheartedly agree, and I encourage the Government of Canada really to, in a meaningful way, pursue that bilateral trade agreement with the United Kingdom, historically which had been, you know, one of the largest — if not the largest, through large periods of our history — trading partner that Canada has had. Now slipped down very, very far down the list, as far as the trading relationship with the UK [United Kingdom], but I think there is real opportunity for engagement into that market in the UK. You know, continued involvement, you know, continued engagement in the European Union is important.

You know, I think that there would be a degree of . . . We've had some challenges in some of those markets, and I think one year we had talked about Italy. I'm not sure if it was last year or the year before . . . [inaudible interjection] . . . Yes, and we had our largest durum market, for those following along listening . . . or the largest durum export market from Saskatchewan had been Italy for many years, for a long time it had been largely because our durum wheat was seen as being the best product for which to produce pasta. You know, so a lot of Italian pasta actually was grown in Saskatchewan. It literally evaporated because of a very concerted campaign on the part of the Italian farmers' union to basically discredit importation of Canadian, not as specific as Saskatchewan, but Canadian durum wheat exports based on some really kind of phony-baloney pseudo-science about how our durum was not safe which is, you know, we should have pushed back harder on it.

And that's the thing. We have to be assertive in some of these markets, particularly with regard to what I think is going to be, you know, a concerted campaign by some to push against Canadian agricultural products like we have seen internationally against Canadian energy products. So I do think we need to be very aware, very cognizant of some of those forces that are pushing in that direction. But you know, Europe is going to

continue to be an important market for us. We have other markets that are important as well, some of which actually folks don't really hear about like Brazil, for example. It's a very large export market for Saskatchewan and we've had some challenges there in the last year as well.

A lot of challenges — without getting into all of the detail, which I think we did last year — a lot of them, you know, can be pointed back to engagement or lack thereof from the federal government or priorities that would not be shared with regard to Saskatchewan products or priority put on promoting certain products. So you know, we're going to have that hard look, but I think that there are some markets that don't kind of make the top of the list where we have opportunity, Mexico being one of them as well.

Mr. Wotherspoon: — Thanks for the responses. I guess focusing . . . There's so much to cover in this area and I'm cognizant of the time. To drill down a little bit, the trade offices themselves that have been initiated now, what's the total cost that we're looking for, you know, this year to run those offices? And what sort of targets are we setting as far as the goals that we'd like to accomplish by way of growing trade this year? And I suspect it's planned out over the next five years or so.

Hon. Mr. Harrison: — Yes, it is and I think the actual budget total is just under \$5 million for this year, but actually I will turn this one over to the team who've I asked to respond on that.

Mr. Campbell: — Okay, so Kent Campbell, deputy minister. And so as the minister indicated, we're looking to have those offices open first quarter of the calendar year next year, so that January-to-March period. And we made the decision to co-locate with the federal government for a few reasons. Part of it is it provides extra status in some of these markets. People know Canada. They may not necessarily know Saskatchewan. Lots of the big customers and buyers do, but for some of those new companies that we're trying to attract or sell products to, they don't necessarily do that. So there's positivity associated with that.

But also we think it's an important way to have influence on federal officials as well. We've had great success and experience in working with the posts around the world but, you know, you could just look at Canadian demographics. Most of the people in those offices aren't necessarily from Saskatchewan or even Western Canada, so their knowledge of Saskatchewan and our products and our interests may not be what it otherwise might be.

[19:30]

They're always very open to learning. And we have officials who have calls with these posts in the evenings and we send them information, but it's not quite the same as having somebody just down the hall. And certainly as I've visited some of these offices over the last couple of years, I've noticed those provinces that do have presence there seem to have that extra level of influence and it's just familiarity. So we think there's some pretty big benefits to be realized there.

And so that comes with a bit of a higher cost just co-locating with the federal government. And so the budget is just around \$4 million for those, and you know, if you look at our current

office stand-alone in Shanghai, it's under four. And so part of that is the increased costs of co-locating with the federal government. But I think we've also realized that we can do a lot more in market in terms of engaging. And so you know, spending a little bit more money to really have an impact, I think will pay some pretty positive dividends.

And those offices are meant to be regional by nature as well. So we didn't pick Singapore because it's a big export market for us, but it is a regional trade hub and a financial centre. Lots of companies are headquartered there. And so we kind of use that as a bit of a hub in Southeast Asia. It's got great air access and the business community there is very familiar in going there. So that's one of the reasons for Singapore, as an example. And we want to use the offices as a bit of a regional presence as well. So it's important to think about it in that way as well.

And as the minister mentioned, we'll consider future locations too. But that's also part of our broader approach to engagement. So we're still going to be, you know, travelling to other markets. We're not just exclusively focusing on those. Once we can travel again and it's safe to do so, we will be visiting other markets as well, either to support exports through STEP [Saskatchewan Trade and Export Partnership] or through investment attraction work that our ministry might do.

Mr. Wotherspoon: — Thanks so much. And so you've spoken to the resources, \$4 million. Thanks for answering that. And sorry, it's Q1 next year that they're going to be operational. What's the targets or thresholds that you're aiming for to deem their relative success?

Mr. Campbell: — Yes, so it's Q1 calendar year, not fiscal year. So it's sort of the last quarter of this fiscal year depending on if we're talking fiscal or calendar.

And so we're still in the development of those metrics. And I think it's important to . . . We're trying to figure out what exactly those look like. So we are consulting with other provinces that have offices in some of those markets. Obviously some of it is going to be related to trade impacts and so if we're seeing evidence of us being able to influence reduction in trade barriers over time, if we're seeing those export numbers increase. And we know that we're only part of that influence but we want to have an important impact. And the minister mentioned, I think, some of the influence that we've had with India recently.

But also in terms of investment attraction opportunities. So if we have some of those companies investing here or partnering with companies here, that's another metric. So it's not just going to be on the trade side; it'll also be on the investment side.

We also think there's probably some good metrics there in terms of partnerships with our post-secondary institutions or some of our research facilities. And that's one of the interesting things about Japan, as an example, where you have very sophisticated global companies that are, you know, looking to expand globally as well. And so we're trying to think about how they can use all that we have in Saskatchewan. Maybe that's an investment attraction opportunity here or maybe they're buying some higher value-added products from us for them to produce globally.

So it'll be a range of those mixes but we'll include, obviously,

trade metrics, investment metrics, and any other partnerships that we think would provide value to Saskatchewan.

Mr. Wotherspoon: — Thank you and I appreciate you breaking out that it's not just trade; it's the investment side. It's the, you know, partnerships possibly on the research side as well. When do you anticipate having those metrics built out so that you can, you know, measure success?

Mr. Campbell: — So we'll obviously want to have those in place prior to the opening of the offices. We had started a recruitment process for the offices pre COVID. We've essentially put that on hold for now, but we're going to re-engage in that process as we get into the summer. And so we would hope to have people in place prior, obviously, to those start dates. And so as we get into the fall, we'll look to have some of those metrics more solidified.

Mr. Wotherspoon: — Thanks. And these will be the kind of things that, I guess, I suspect will be shared out to some extent or that we can pursue in future committee meetings, but thanks for the information there.

With respect to canola and China, sadly we have to still talk about it this year as we did last year. I'm just interested in what level of engagement or what sort of activities the province has undertaken itself in this to deal with this challenge over the last year?

Hon. Mr. Harrison: — Maybe I'll give a kind of high-level answer, then turn it over to Kent or Jodi. You know, dealing with the issue that has been the catalyst for the canola challenge with China is really something that's not in our control, and I know the member is aware of that. You know, as long as Meng Wanzhou is being held in Canada, I think we're going to have a continuing issue. The Government of Canada have, you know, I think done a degree of engagement on that. It's, you know, highly, highly concerning and disappointing, the Chinese response, which was to arbitrarily arrest and detain two Canadians, who have now been detained for nearly two years.

It's been . . . you know, I can't imagine. I can't imagine the, you know, unbelievable situation that those unfortunate gentlemen are in — and their families — with very little consular access. You know, this is something I really think that needs to be a top priority for the Government of Canada in resolving. You know, I think that there have been efforts, but clearly until that central issue is dealt with, there isn't going to be a resolution. And Saskatchewan engaging is, you know, not going to be seen in a different light. It's not going to solve the issue. But maybe, Kent, do you want to speak?

Mr. Campbell: — Thank you, Minister. So we've been working very closely with the Ministry of Agriculture on this, and shortly after this situation happened the Government of Canada put together a canola industry working group. And so that involves federal government officials as well as officials from Alberta, Saskatchewan, and Manitoba. And so both our ministry and the Ministry of Agriculture participates in that. It also has representation from the Canola Council and the Canola Growers Association, as well as representation from Richardson and Vittera.

And so we meet regularly, once every two weeks typically —

you know, for a while it was in person; often it's by phone — and we just compare notes. We talk about latest developments. And we've certainly been encouraging, you know, the government to really think seriously about a trade challenge with the WTO [World Trade Organization]. And of course the WTO is in a difficult spot at the moment. But you know, we certainly are working very closely with the Government of Canada and the industry to try and get this resolved.

Mr. Wotherspoon: — Yes, I know. I appreciate the challenge. It has such a, you know, direct impact on this province. Have you quantified what's happened on the export side there for I guess last year and what we're forecasting for this year as a result of the barrier?

Hon. Mr. Harrison: — We can give a number, and I'll turn it over to Kent for the specific number, or Jodi, with regard to the impact. I can say that, I mean, there was a very large decline in agricultural exports to China in the last year because of primarily the issue with canola exports, not exclusively though. There were other restrictions that were put in place by the Chinese government on other agricultural exports that we sent to that country.

The challenge with canola was a pretty specific one to that product in that there simply wasn't enough market share that existed in other countries to displace the exports that we put into China. That was the crux of the challenge that Canada was facing with regard to canola. I think that you would find some who would have been a bit pleasantly surprised, to the good side, in that other markets were found for exports of canola. And I would say that in no small measure that has been the result of a concerted effort. And on this particular item I do give the Government of Canada credit in that there was a recognition that we had to work hard to find new homes, so to speak, for Canadian canola exports.

So not only have we worked with the Government of Canada, Alberta has as well. You know, other jurisdictions and industry representatives have been very involved in all of this, and I think we've . . . You know, there isn't a replacement for a market as large as China was in a kind of individual context, but collectively there will be. And that's why I talked earlier about further market development.

And some of this will actually be market development, meaning on the ground, why is canola oil better than what you're using right now, palm or soy? Not to say that those products are terrible or anything like that, but canola oil is better. It's a better product. And you know, I think that industry have done a really good job in making that case in a lot of jurisdictions.

But I think, again going back to one of the earlier comments: why are we not selling more canola — or any — into Vietnam? It's because we really haven't done that sort of work. It's not a reflection negatively on anybody. It's just that we really haven't been in a position to need to do that sort of work. So that's why we talk about that market as being an important one. But, Kent, maybe I can turn it over to you for the details.

Mr. Campbell: — Yes, thank you, Minister. So I do have some information and this would be comparing our exports to China, 2018 to 2019. And I think it's important to note that China is still

our second most important export market, even with that reduction. But what you saw was exports were down 32 per cent, 2018 to 2019. So they went from \$4.6 billion to \$3.1 billion and about 71 per cent of that export loss was attributable to canola seeds. So we exported in 2018 about \$1.5 billion in canola seed to China, and last year we lost more than a billion dollars of that export.

And that was really the big one in terms of that. We saw reductions elsewhere, but obviously canola seeds was the big one. Canola meal, flax seed was down. Wheat was down as well. Really the only thing that was a positive for China for that year was potash, which was up 19 per cent last calendar year.

Mr. Wotherspoon: — Thanks for the update and also identification that China remains a very important market to Saskatchewan. But to the minister's points, you know, when you're faced with that sort of adversity, I know folks and friends through the grain trading environment who were sprinting fast to find other markets and actually report some level of optimism on these fronts. Those markets are out there and being . . . You know, the role and support of the provincial government, federal government, all goes a distance in that as well.

I'm interested in the Saskatchewan Trade and Export Partnership. Obviously this is a really important organization to this province and something that's demonstrated significant value. I guess I'm just looking for a bit of an update with responses to things like, you know, is there any changes in membership? And are there any new initiatives or changes in the coming year for STEP?

Hon. Mr. Harrison: — Yes, it's a good question. And I would concur with the member's assertion on the importance of STEP, the role that the organization plays being one of real significance and providing value to members of the organization. I'm not sure whether we've . . . There have been significant plans and discussions around next steps and how we're going to facilitate STEP's continued engagement and members of STEP's continued engagement internationally.

[19:45]

Maybe, Kent, I can turn that over to you because I know we've been working through a whole bunch of stuff and I think we're close to making some announcements. But I don't know if we have yet.

Mr. Wotherspoon: — You can make them here tonight.

Hon. Mr. Harrison: — I've done that before, then afterwards they say, Minister, you weren't supposed to announce that until whenever.

Mr. Campbell: — Obviously STEP has been very critical to our success as an exporting province, and you know, membership so far has really sustained. And so I think it has yet to be determined, but those memberships that have come up so far this year, you know, have been by and large renewed. But there obviously was some concern about that as a membership-driven organization. And so you know, the target is to have once again about 290 regular memberships. So around that 300 mark if you include regular and premium, and that's something that we want to

continue on for this year.

We've seen quite a significant change in STEP's budget this year and plans because they can't travel. And so much of what they do is engaging with those external markets. And what they've been able to do quite successfully is move to some virtual trade shows this spring. And so with a lot of the major events being cancelled, rather than joining Saskatchewan companies and some of those export markets, they've been able to connect with some of the buyers in those markets and profile Saskatchewan companies.

And so typically the way these will work is you'll have a buyer that's interested in, say, some ag ingredient inputs and they'll give a little definition around that. STEP will talk to usually about five to seven other members and they'll have, you know, a Zoom technology session or one of those platforms where they have a common conversation but then they'll also have one-on-one conversations. And we've actually had some pretty positive take-up on some of those, and I'll try and find some numbers on those in particular.

But with that, you know, STEP is looking at adjusting its membership fees for this year to provide a discount, knowing that their members are hurting. And even if members are planning to continue, which it seems like they are, we know they're hurting. And the budget allows for that to do that because travel will be less.

We also think that, you know, a lot of exporters — or particularly companies that are either relatively new to exporting or are thinking about it — may be hesitant to start to travel again internationally once that's allowable. And so they're also looking at enhancements to their market access program where they provide some cost-shared support for your first entry into certain markets. And typically that program is limited. If you've been there a couple of times, then you're not getting any more support. But because of this sort of cooling-off period, we're going to want to make sure those members are able to re-engage in those markets, and some of those supports are available.

So those are some of the program enhancements that STEP is looking at providing this year to its members within their existing budget. So we're hopeful that when you combine that with some of the success they've had around the virtual trade shows and some reductions in membership fees that things will be, you know, another positive year for STEP in helping to grow Saskatchewan.

Hon. Mr. Harrison: — So I would just offer to that . . . Thanks, Kent, very much. You diplomatically pointed out the announcement that was made today which I can actually say some of the details even. So we announced today that we're going to be reducing membership fees for renewals and for new members by up to 50 per cent. So the idea being to encourage members obviously to maintain their activity with the organization and also to encourage new members to join STEP for the first time. So that is a, you know, pretty substantive incentive and change.

Also the market re-engagement program we announced today which . . . you know, Kent talked about in high level about helping our STEP members re-establish their presence in

international markets given the fact that they haven't been able to be in-country and directly engaged for a number of months, and it could be a number of more months into the future.

Also that we're going to be doing some very specific market intelligence work for them in-country meaning, you know, COVID situation, local restrictions, local business conditions, local environment — all of those things we're actually going to be dedicating significant resources to that market intelligence for businesses doing business or looking to do business in markets that are impacted. So we've been working on this for some time and I want to give Chris Dekker, our CEO over there, and the team at STEP a lot of credit for all of the work and initiatives that they have undertaken in finding innovative ways to keep business doing business internationally.

Mr. Wotherspoon: — Yes, thanks. Best wishes to everyone at STEP and all their members. I'm glad to hear there's some adjustments that are able to ensure that members are able to see value and also remain engaged at a time where travel and some more traditional ways to connect aren't possible.

I'm interested in establishing, I guess, a bit more understanding or just some detail, I guess, around the chemical fertilizer incentive that's been brought forward, so just some of the basics around the business case. That would include things like the expected annual cost of the program for each of the next five years, as well as the number of jobs expected to be created in each of the next five years, the administrative cost, and yes, I'll leave that. That would be the information I'd be looking for.

Hon. Mr. Harrison: — Sure, yes. No, I appreciate that and yes, I know the member would have part of the second reading speech I gave today — it was pretty brief — the second reading speech on the chemical fertilizer incentive after question period today. I touched on the details of the program rollout, but I will actually ask one of our officials to provide that for the member.

Mr. Campbell: — Sure. So I'll start and then I'll see if . . . any of my officials can get me if I get off track.

So it was really modelled, the program modelled really after our value-added agriculture incentive which has been quite successful. So it will provide a tax credit of 15 per cent of capital expenditures of more than \$10 million. And the nice thing about it is that the fiscal impact doesn't occur until that capital investment is actually in the ground and the facility has been commissioned.

And so that's why we like it, because you already have that investment and some of the jobs happening, both on the construction side and the facility operation, before that impact takes place. We've had a fair bit of success with the value-added agriculture incentive because of that. I found in talking with international investors, it's one of our most attractive programs, I would say, in terms of getting interest and opening the door.

So in this one, I would say at this point it's kind of unclear how many companies will be interested. We know there'll be a number. And it really, I think, builds off of the fact that we are, you know, a true fertilizer powerhouse. And so much of that has been around potash, of course. And so you know, strict potash fertilizer is not eligible for this because there's, of course, a

whole royalty regime associated with the production and sale of potash.

But you know, the thinking here is that there's a whole bunch of other fertilizers that are being developed that . . . What a great place to locate that — both geographically, but then also given that we have, you know, 40 per cent of Canada's agricultural land here — as a base for North America. And so you know, we're optimistic that this will, you know, develop into potentially a number of investments, both large and small. It's something that we talked to some companies in India about last time we were there as well, obviously in addition to existing companies. So that's some of the general parameters. And I don't know if anybody else has anything to add.

Mr. Wotherspoon: — I think just if you're able to sort of break it out. So I think the annual cost for the program over the next five years, as well estimated target number of jobs to be created.

Mr. Campbell: — Yes, you know, I'm not sure that we have really good estimates on that. I mean obviously, you know, there is the potential to get investments that are in that, you know, \$100 million-plus to half-a-billion-dollar kind of investment. But we've also had conversations with some companies that would be on a much smaller scale, not where that \$10 million floor would come in but where, you know, you're getting closer to that. So it's not all, you know, in that bigger range. The job impacts, I'm not sure I have that with me. That might be something we have to get back to you on.

Mr. Wotherspoon: — Right. And I guess the annual cost is really going to be in direct relationship to the size of the investment that's placed. Do you have targets as far as the size of the investment that you're . . . I know it'd be a broad range. We'd like to have as much as possible.

Hon. Mr. Harrison: — I would just say — you know, it's a good question — that we're hopeful that there are going to be a lot of companies that choose to invest based on the opportunity given through this incentive. You know, Kent's put it very well about the challenge in making estimates. What I would say though as a point of policy, with new growth tax incentives like this, is that, you know, costs incurred . . . and they are tax expenditures, you know, from a technical perspective. Those are tax expenditures that, you know, wouldn't have been made but for the fact that we have, you know, many millions of dollars of investment that come along with it.

So you know, I think that our tax incentives have worked well in targeted fields in the past. I think this is the right place to provide the incentive in this field, but you know, a lot remains to be seen.

Mr. Wotherspoon: — I'll look forward to tracking, you know, the incentive as it rolls forward. You have the tax credits of a similar nature for the . . . It was mentioned here; it was identified as, I think, a success story here at the table today. In 2018-19 you brought forward the value-added agricultural incentive. Same year it was the technology start-up incentive. And the year before that the commercial innovation incentive.

I'm wondering what you're able to report out on those fronts. Almost the same questions if I could. You know, for 2020 what are we expecting? What's the province counting on by way of

the annual cost? Also the investment if you are able to offer that, the number of jobs. Yes, so those three pieces.

Hon. Mr. Harrison: — Well I'll ask officials to respond in detail. What I, you know, would say as a broad proposition is that, you know, we have been encouraged by the success of the programs that the member referenced. And I think I referenced them in my introductory remarks as well. And you know, just kind of to clarify again as far as how these programs work. I mean there really aren't any expenditures until there is application, certification of application, verification, and the business is operational and would be in a position to pay tax, right.

[20:00]

So kind of managing that time frame, you know, for a lot of these multi-million dollar . . . And there are thresholds obviously in what the size of the investment has to be to trigger access to the program, meaning that construction lead times are, you know, of a not insignificant amount. So the tax expenditure being realized in the out years, it's very, very difficult to calculate, you know, right now given the fact that the program still isn't actually into force of law. But the member's question is valid though about the other program. So maybe I'll turn that over, I'm not sure, Kent or one of the other officials.

Mr. Campbell: — So the technology incentive that you referenced is actually administered by Innovation Saskatchewan, so it would be a better question for them. In terms of the Saskatchewan commercial innovation incentive, so far we've received 10 applications under that program, and seven have received conditional approvals. One is pending further information, and three have been denied. Zero incentives have been issued yet to date, though. So they haven't yet either applied or met the qualifications, but they've received their preliminary scientific eligibility, if I can put it that way.

In terms of the value-added agriculture incentive, that's a 15 per cent rebate on capital expenditures over a 10-year period from the issuance of a certificate, again on an expenditure that's at least \$10 million. And so we've received eight applications. Eight conditional approvals have been provided under that program. The total proposed expenditure, should all of those programs go forward, would be somewhere between 950 and a billion dollars. That's the value of the investment, not the incentive.

None of those projects have yet been commissioned, so we have again not actually paid anything out yet in that program, but that's probably the one where we're the most advanced, I would say. And that one continues to really receive a lot of interest when we're talking to investors; it really sort of tweaks their interest, complementing what we have here in terms of obviously our supply chains and natural resource abilities and all that. So those would be the summaries to date on those two programs.

Mr. Wotherspoon: — Thank you very much. Certainly a billion dollars is a significant investment that could be realized. How certain are we at this point that those dollars are going to be placed and that those investments will proceed?

Mr. Campbell: — I might ask Kirk to take that one.

Mr. Westgard: — Kirk Westgard, assistant deputy minister for economic development. So, Madam Chairman, the question about how certain we are. And some of them, there has been construction started and some of them are still a long ways out. So anywhere between . . . we should see operations start in the next 12 to 16 months, to we're still hoping to determine some of the variables that are still in play.

Mr. Wotherspoon: — No, that's all positive, very positive pieces. And it's also encouraging to hear that the interest is, that's there continued interest that's coming in.

How integrated is . . . Like, the whole food economy is something that we do well, but I think there's continued, you know, real potential for this to grow. And that's where this has a real place as well, along with some of the efforts of protein industries and world-class producers and an amazing university and all the stuff that comes together.

How integrated is that work, or is that . . . The applications that are being placed there, are you seeing a trend? Is quite a bit of that coming out of some of the protein industries' work? Or who are you seeing placing application? Where are they coming from?

Mr. Westgard: — The applications are coming from all over. We do work quite closely with our partners at the federal government as well as our partners within other ministries in the government. Those are the applications that have applied for conditional approval for the incentive, where there are several other companies that we continue to work with who are looking at Saskatchewan as a viable opportunity.

Mr. Wotherspoon: — And are you working closely with the protein industries folks with that exercise?

Mr. Westgard: — We keep in close communication with them, yes.

Mr. Wotherspoon: — Well thanks for the update. And maybe just, whether it's Kirk or whomever that answers this question, it's a sizeable investment that's important, that represents lots of jobs and long-term investment. But if you can just lay out a little bit then how you project sort of the fiscal impacts moving forward. Now obviously the investment itself has a whole bunch of positive fiscal impacts, all the greater employment does as well, and it's just, I guess, the offset of the incentive that's built in. If you can kind of quantify that a little bit.

Hon. Mr. Harrison: — Yes. Explaining the policy rationale again, I mean what we're talking about is foregone tax revenue, right? So that tax revenue wouldn't be realized at all if the operation had not been built and was not in a profitable position of paying tax. So that's the reason why it's not really an expenditure in the nature of how you would make an expenditure to build something or buy something. It's foregone future revenue that would not have otherwise been revenue for the government because that operation would never have existed. So, that's the policy explanation around it.

So you know, I think Finance officials would call it basically a tax expenditure. I think that's the technical term, although I stand to be corrected by the minister and Ministry of Finance and

officials in that regard. But what it is, it's foregone revenue that otherwise the government wouldn't have got. You get all the benefits of the investment and the jobs that are created and the economic activity that goes out along with the project being constructed and going forward.

Mr. Wotherspoon: — Yes. Like in general, I think this is a reasonable way to go at things, and I understand if you're attracting new projects based on an incentive, those are new operations, new investment, new jobs. I mean you're never certain — these are important sectors to Saskatchewan — so you're never exactly certain whether or not you may have had one of these investments placed without the incentive. So I don't know that you can be entirely certain that they would have never happened.

We have some competitive advantages on these fronts, but the incentive plays, I'm sure, an important role in securing that investment. And if we look at the situation we're going to facing post-COVID, capital's going to be . . . it was tight already, you know, before COVID, so it's going to be more of a competitive environment to have capital placed in the province.

And then the 15 per cent then, the credit, that's an offset of their business taxation down the road as a successful business. Yes, thank you very much.

One of the barriers and you'll have heard this lots for a long time, but I think COVID itself, you know, certainly highlights the importance of connectivity in Saskatchewan, whether it's a student or whether it's certainly commerce and business and, you know, agriculture in a big way. So I guess I think that when we talk about high-speed connectivity in Saskatchewan, it very much is an economic consideration and enabler, particularly in the case of who doesn't always have high-quality access to high-speed internet, being rural Saskatchewan. So I'm just wondering from the minister's perspective, how important is high-quality, high-speed internet to the economy of Saskatchewan, and in this case particular to rural Saskatchewan?

Hon. Mr. Harrison: — Yes. I mean the member's assertion, I think, is a correct one. I mean obviously wireless internet access is important and going to be increasingly important as we move into very advanced new technologies in agriculture, for example, where you're going to have systems that are dependent on internet access. So I mean, I don't disagree with the assertion.

You know, as far as kind of being able to comment or get into details of individual locations or anything like that, obviously we're not responsible for that at Trade and Export. So I'm not entirely sure where he's going, but I would just kind of offer by way of initial observation that I don't disagree with the importance and significance.

Mr. Wotherspoon: — No. Thanks a lot. It's just something that, you know, certainly a lot of the agricultural community has identified for a long time. Rural economic developers are speaking to it and certainly businesses are, certainly through this experience with COVID where schools shut down and kids are at home and everyone's trying to gain access to the web to run the business and run the farm, it's a big point.

And there's actually been a high level of . . . or a significant focus

in the last number of years as well around what high-speed internet means for quality-of-life factors that can be a real aid to rural Saskatchewan attracting and retaining new businesses, new families. So I just identified here with the minister, often it would be something we might identify with the Minister of SaskTel or something, which is appropriate as well. But I think that increasingly it's being seen by many in Saskatchewan as a very solid and important economic piece within this province for rural Saskatchewan.

What should I move to next? I'm looking at the time here, and I've got lots of questions here. Not getting into a great debate on the history of this file, but we once had a more significant film industry in Saskatchewan. Other provinces certainly have really built those film industries when a choice was made for ours to no longer operate and to grow to that extent.

It's a real lost opportunity to the province. Is the minister coming at files like that from an economic development perspective with a set of new eyes or new openness? Is there interest in pursuing a film industry in Saskatchewan in a more robust way once again?

Hon. Mr. Harrison: — I think how I would respond to that . . . And I appreciate the member's kind of preamble about we're not going to get into a big back and forth here. We did that already, so we're good for tonight. But I think I would just suggest that that's probably better put to Minister Makowsky as the minister responsible for the file.

Mr. Wotherspoon: — I have other questions to pursue. I bring it to the table here; I appreciate we certainly can follow it up there. It has a lot of potential for the province by way of jobs and investment. I just think we'll be strengthened if we're pursuing as many industries as we can that fit Saskatchewan and that can offer that return. And we sit here tonight just across the lake from that world-class sound stage that's sure been underutilized in the last numbers of years, and those jobs would be valued, as would the investment.

Moving along to the PST [provincial sales tax] and construction labour. Again hoping that we can keep the heat out of the debate, but this is an important industry, and one that's been beleaguered in the last number of years.

My question I guess to the minister would be, is he able to share a report with us as to the fiscal impacts of the choice to place the PST onto construction labour, as well as the economic impacts? I know initially, when it was announced that the government was going to impose the PST onto construction labour, it was sort of pitched through the one lens that there was going to be a greater amount of PST revenues collected, which certainly occurred. There was never the full case or the full costing of the impact, I guess, on jobs, other revenues for government, and then the impact on investment as well.

[20:15]

Hon. Mr. Harrison: — Yes. No, I appreciate the question and I know the member had the opportunity to put both the assertion and the questions to the Minister of Finance the other night, which is the appropriate minister for whom to respond, so I would just defer to her responses from the other evening.

Mr. Wotherspoon: — I don't need to go on at length, but it's appropriate that the attention is brought to these choices in, you know, the estimates of the Minister of the Economy as well. The impact has been significant on Saskatchewan businesses, on investment, on jobs.

I've watched first-hand local businesses and friends impacted in a significant way. I've watched first-hand, you know, friends and constituents that have lost employment and don't have much time typically to make decisions, and sadly in many situations we've lost them from the province. And then the for sale sign goes up on the house — and in a beat-up market as it is — and a loss of that family and their skills and what they have within the community, but the loss of the property taxes they pay, the income taxes they pay, and of course the impacts go on.

I will shift along to transportation matters which are connected directly to our exports . . . the importance of our exports, but then our ability to get them there. Obviously we need to improve our transportation system in this province. I know this is something that the minister has spoken to over the years as well and has taken on.

I'm just looking, I guess, for more of like an update as far as the actions that he's taken as minister or that the ministry has taken on with respect to improving that transportation system. And I'd include in that certainly our rail system but also, you know, important pipeline access as well.

Hon. Mr. Harrison: — Yes. No, I appreciate the question and, you know, obviously this government has pushed and made no secret of our desire to see additional pipeline capacity come on stream given the critical importance to our energy sector of being able to get that product to market.

So we've, you know, struck the Pipeline Projects Assessment Committee, which the Premier had announced earlier in the year, a committee consisting of Minister of Finance chairing, along with the Minister of Environment, Minister of Energy and Resources, and myself. And we have, you know, allocated resources to that committee and have actually, I think, announced the allocation of those resources to pipeline proponents, you know, one of which being the Indian Resource Council on Project Reconciliation, which is the Saskatchewan-based, Indigenous-led organization company looking to acquire the Trans Mountain pipeline.

And you know, I talked about it a bit earlier — it might have been actually even in the ICT [Immigration and Career Training] estimates — about what I really do think is the future: having Indigenous ownership, equity positions, ownership positions in major energy infrastructure projects.

And I would, you know, see nothing more positive than having Project Reconciliation or a consortium that, you know, further develops . . . But Project Reconciliation is a Saskatchewan-based Indigenous-led organization looking to make that happen. We allocated them \$250,000 to continue that good work that they're doing, and you know, that's going to be a part of what we continue to do as far as advancing these projects. Because it is important to our economy. And it's going to be an important part of the recovery, you know.

And we've been fortunate, we really have been, through all of this. And you know, the reality is that from an economic perspective, you know, we've come through this as one of the most successful . . . Not to say that there are not issues because there are massive issues and there are going to be continuing massive issues, but we've been very fortunate to be less impacted from an economic perspective than virtually any other jurisdiction in the country.

And you know, that's borne out by the numbers. We have the second-lowest unemployment rate in the country. We had the lowest effective unemployment rate in the country last month. We're now the second-lowest effective unemployment rate in the country by a significant amount. You know, the national average is over, I think, it's about 25 per cent for the national effective unemployment rate and we're at 14.

So that's something that I think our job creators and our small businesses and other enterprises, large businesses, can be pretty proud of. We have the second-largest number of small businesses that are fully open in the country, 65 or 66 per cent that are open — not to say that there is not real hurt because there is — but the national average being just around 50 per cent that are open.

Right now, you know, I talked about exports which actually increased in Q1. The wholesale trade numbers, which came out just this morning showing Saskatchewan with the best wholesale trade numbers in the entire country, which really is a very important and significant leading indicator, something that again is a testament to our businesses and exporters here in the province. The wholesale trade was, you know, very positive as well as a leading indicator.

So you know, I think it is borne out by the statistics showing that we are coming through this as well as anybody. And I would even say, you know, this isn't luck. I know that some have suggested it was luck. It's not luck. This was a combination of extremely hard work and just incredible sacrifice and resourcefulness and resilience by the people of the province. You know, I think that there were some policy choices the government made that had something to do with that as well, but I really do give the credit to the people of the province who have done a remarkable job, both from a public health perspective and also from an economic perspective.

Mr. Wotherspoon: — Yes, certainly tremendous credit goes to the people of the province and all those working hard in government through to the front lines. But I still want to take advantage of my few minutes left in estimates here tonight. My question was about improving access in our transportation system, both rail and pipelines. Rail is still that other important area that we really be active. And I think if there's, you know, a file that Saskatchewan really has expertise and benefit to bring their voice to, certainly it's rail.

But shifting along to another area of the economy and the food economy, agricultural economy . . . is meat processing and abattoirs, which present a lot of opportunity for rural Saskatchewan and for economic development but that really also often struggle. You know, I know too many abattoirs, many that I've, you know, enjoyed having meat cut at before, that no longer are operating. But it really does seem that the economics exist where there's a consumer that really will look to being able to

enjoy, in this case, Saskatchewan livestock, and look to the incredible producers that we have in the province. And so there's a role for government on these sorts of matters.

So with respect to bolstering local meat processing and abattoirs, what work is the government taking on, on this front?

Hon. Mr. Harrison: — Yes. No, I appreciate the question and I apologize if I didn't kind of address them previous on the infrastructure. I'll just do it very briefly because I know that, you know, I wanted to talk a bit about the overall economic situation.

But I think I addressed some of the pipelines part of it and we're continuing to advocate very strongly, obviously, for Trans Mountain construction and there is work being done which is a positive thing. We really need to have that project go. We really need to have the project completed. It's vitally important for this province and in fact, you know, it's just going to make a huge difference.

I looked this morning and I think the differential is around \$4 or so which has to do with . . . The differential is basically a measure of daily pipeline capacity. So what it shows, it's a reflection of some decrease in production is why you have a decreased differential right now. But you know, in the longer term when production comes back to higher volumes, we still have the same issue, meaning that, you know, at times 80 per cent differential is just not a sustainable proposition.

You know, even though there's, you know, hundreds of thousands of barrels a day on rail, again that's not a long-term, sustainable proposition. We need to have actual pipe. That is the way that we're going to shrink that differential.

And having a wellhead price that is close as we can possibly get to the world price makes a huge difference in terms of the revenues of this province and the ability to invest in things like health care and education. That's what pays for it. And we really do need, as a just extremely important, extremely important part of public policy, having that pipeline capacity because it lowers the differential, which means we're getting a higher wellhead price which means the people of the province who own the resource are getting close to market value. And ultimately, we want to get market value. We want to get world price for our market and we can't do that with a landlocked commodity.

So that's in a nutshell why we have pushed as hard as we have as government to advocate for and even — like I said when talking about the pipeline projects assessment committee — going beyond advocacy, going to actually funding organizations and looking at all the ways that we can be involved in making these projects go. So I would say that. The rail, I think you make a good observation, you know, being as important as it is for not just the oil on rail that there is right now, which has displaced some of our agricultural commodity being able to get to market, or at least in the same way get to market.

You know, the blockades that were thrown up were really problematic from our perspective. And you know, we were pretty clear about our expectation on the fact that we needed to get our commodity to market. And the fact that those commodities, whether it be agriculture or energy, were not able to get to market has a huge impact on ultimately the producer who is taking a

significant hit at the farm gate because he can't actually move product or it's sitting in bins in rural Saskatchewan, as opposed to being on a ship going to Indonesia or Japan or South Korea. So I mean, these disruptions have had a major impact, you know, on normal people here in this province, even if everybody isn't entirely aware of how they actually do.

So to your kind of subsequent question on meat processing, I would just say, like you know, there is meat processing that's done here. I'm the last one to profess to be an expert on doing anything other than skinning my own deer — which I know the member opposite, the member also is an expert on that — when I get one. But you know, I know the Minister of Agriculture is seized with . . . you know, this is his file more so than it is ours, but I understand why you're asking us. You know, we want to see economic development, whether that be in the meat processing field or whether that be in building more pipelines or having our ag commodities get to market by rail.

So with all that, I would say I appreciate the member's questions. If the member wants to go another few minutes I'm fine with that, but I think that we've had a good, good discussion. Other than one hiccup, we've had a good chat.

[20:30]

Mr. Wotherspoon: — We have. Could I ask one last question on an industry? You can choose how long it delays the proceedings with your response. But an incredibly important industry as well, the potash sector of course. And it, you know . . . [inaudible interjection] . . . I can see that.

The potash sector, it's super important to Saskatchewan, and it's critical we, you know, continue to hold that world-leading position. It's not without pressure and challenge, and competitiveness on this front matters. And it's been a challenging year; one of our major companies has closed a mine. There's been significant layoffs at different periods of time. And you know, I guess I would just . . . I know that we want to see this industry grow and thrive. We want stability for those workers. We want a solid return for Saskatchewan people.

My question to the minister might be, I guess, does he have concern over the tax change that was made in previous budgets and what's happening in the industry right now? And the second question: is he satisfied right now with the situation for the head office of Nutrien?

Hon. Mr. Harrison: — Well I would just kind of say by way of observation, I mean, obviously potash is a hugely important industry for Saskatchewan from an economic, employment, revenue perspective, an industry that really I think in the big picture is in a very, very good position. We've seen, you know, fairly predictable growth in terms of the increase in potash application globally. And the reason for that is pretty straightforward. It's that there are more people on the planet that need to be fed on fewer and fewer arable acres. That's the reality, meaning fertilizer is going to play an ever more important role in increasing yields in countries around the world.

So I think in a high-level aggregate view, the future is very bright for the industry. And I think they would say a similar thing if they were sitting here. There are always challenges. And the industry

has become very, very good at managing what are at times unpredictable buying patterns from foreign SOEs and even private companies globally. But this is generally treated as a global commodity, so governments are very involved in how a lot of the industry functions on the buying side.

So you know, our producers are the best in the world at it. They are the best miners. They are the best businesspeople. They really do understand their customers, and they understand through, at times pretty painful experience, the ups and downs that go along with that. And ultimately, I mean those are challenges that are borne by employees and I think, you know, at times by governments as well, where you end up with significant fluctuations in revenue because of factors that are far beyond the control of any subnational or even national government.

So they make decisions based on their long experience, their understanding of those markets globally, their understanding of how buying patterns work. You know, we work with those companies as best we can and provide, I think, a very collaborative relationship in how we work with them. But it's an industry that really is pretty unique. It has some, you know, very real challenges at different times, but I really do think in the bigger picture, the future is very bright for potash in Saskatchewan.

The Chair: — Seeing as there are no further questions, we will adjourn our consideration of the estimates for the Ministry of Trade and Export Development. And I'll give one more opportunity for short, closing comments to the opposition.

Mr. Wotherspoon: — Thank you so much, Madam Chair, and committee members, Minister — with the exception of a period of our exchange — and officials. Thank you so much for your presence here tonight, very important. Thank you for your leadership in Saskatchewan and in Saskatchewan's civil service, as I said on the front end, always but particularly through these trying days for our province. So thank you for what you're doing and to all those you connect with through your work.

The Chair: — Minister Harrison.

Hon. Mr. Harrison: — Thanks very much, Madam Chair. And I want to thank the member for his questions and a constructive discussion, I think. I've appreciated it. And I really do want to thank our team at Trade and Export who I really am privileged to, you know, at least have the temporary opportunity to be minister of and work with this great team who have really performed close to miracles in the last three months and have accomplished the things that have been very almost unfair to ask of them to undertake. And they've done it without anything other than a can-do attitude and have made it all work. So I want to thank the team.

The Chair: — All right. That concludes our business for this evening. And seeing that it's past the regular hour, we're past the time allotted for these estimates, this committee now stands adjourned until Monday, June the 22nd, at 6:30 p.m.

[The committee adjourned at 20:37.]